

Multistate Tax Commission



Resolution No. 98-11

Federal Studies on Disclosure of Tax Data

WHEREAS, the U.S. Congress has passed H.R. 2676, which restructures the Internal Revenue Service, and

WHEREAS, the law contains a large number of provisions intended to assure the integrity, security, accuracy, and administrability of confidential taxpayer data, and

WHEREAS, the mission statements, goals, laws and regulations and practices of the State tax agencies are similarly designed to guarantee the highest level of public confidence in their tax administration practices, and

WHEREAS, certain provisions in H.R. 2676 would call for a study on the State's use of federal tax data for State tax purposes, and

WHEREAS, the State taxing agencies receive the federal data under the authorization of Section 6103 of the Internal Revenue Code, which governs the ways States may request, use store, and dispose of the data, and

WHEREAS, the federal government continually and aggressively monitors the states' use and handling of the federal data, including regular on-site inspections, and

WHEREAS, the States likewise provide substantial amounts of State data to the federal government for tax administration purposes;

NOW, THEREFORE, BE IT RESOLVED that State tax agencies in those States that do not impose an income tax be urged to participate vigorously and openly with the federal studies so that the public record can accurately reflect the essential value of the cooperative exchanges of data to the governments and also to the taxpayers they both serve, and can further demonstrate for the record the levels of security, privacy, and respect given to the data by the State taxing authorities.

This Resolution expires on August 7, 2003.

Adopted this 7th day of August 1998, by the Multistate Tax Commission.

W. Val Oveson
Chair

Dan R. Bucks
Executive Director