

HOUSE BILL NO. 1098

Introduced by

Finance and Taxation Committee

(At the request of the Insurance Commissioner)

1 A BILL for an Act to create and enact a new subsection to section 57-38-57 of the North Dakota
2 Century Code, relating to disclosure of tax return information; and to amend and reenact
3 subsection 18 of section 26.1-26-42 of the North Dakota Century Code, relating to insurance
4 producer license suspension, revocation, or refusal.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1. AMENDMENT.** Subsection 18 of section 26.1-26-42 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 18. The applicant or licensee ~~knowingly fails to file the required returns or pay state-~~
9 ~~income tax~~ the taxes due under chapter 57-38 or comply with a court order directing
10 payment of ~~state~~ any income tax or employer income tax withholding imposed by
11 chapter 57-38.

12 **SECTION 2.** A new subsection to section 57-38-57 of the North Dakota Century Code is
13 created and enacted as follows:

14 The tax commissioner may disclose confidential tax information to the insurance
15 commissioner to be used for the sole purpose of suspending, revoking, placing on
16 probation, refusing to continue or refusing to issue an insurance producer license,
17 assessing a civil penalty, or investigating fraudulent insurance acts under the
18 insurance laws of this state. The tax information may be disclosed only upon written
19 request that provides the taxpayer's name, federal identification number, and address.
20 The insurance commissioner may make a written request only if the insurance
21 commissioner has started an investigation of an applicant or licensee on grounds
22 other than failure to comply with chapter 57-38 or has started an investigation of a
23 suspected or actual fraudulent insurance act. Upon receipt of the request, the tax
24 commissioner may disclose whether the taxpayer has complied with the requirements

1 of this chapter. If the taxpayer has not complied with these requirements, the tax
2 commissioner may provide the tax type, the tax period for which a return has not been
3 filed, and if the taxpayer has failed to pay any tax, the amount of tax, penalty, and
4 interest owed. The information obtained under this subsection is confidential and may
5 be used only for the purposes identified in this subsection. For the purposes of this
6 subsection, a taxpayer is deemed in compliance with this chapter if the taxpayer has
7 entered an agreement with the tax commissioner to cure the taxpayer's
8 noncompliance and the taxpayer is current with those obligations under the
9 agreement.