

**Sixty-third Legislative Assembly of North Dakota  
In Regular Session Commencing Tuesday, January 8, 2013**

HOUSE BILL NO. 1098  
(Finance and Taxation Committee)  
(At the request of the Insurance Commissioner)

AN ACT to create and enact a new subsection to section 57-38-57 of the North Dakota Century Code, relating to disclosure of tax return information; and to amend and reenact subsection 18 of section 26.1-26-42 of the North Dakota Century Code, relating to insurance producer license suspension, revocation, or refusal.

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

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

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

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

The tax commissioner may disclose confidential tax information to the insurance commissioner to be used for the sole purpose of suspending, revoking, placing on probation, refusing to continue or refusing to issue an insurance producer license, assessing a civil penalty, or investigating fraudulent insurance acts under the insurance laws of this state. The tax information may be disclosed only upon written request that provides the taxpayer's name, federal identification number, and address. The insurance commissioner may make a written request only if the insurance commissioner has started an investigation of an applicant or licensee on grounds other than failure to comply with chapter 57-38 or has started an investigation of a suspected or actual fraudulent insurance act. Upon receipt of the request, the tax commissioner may disclose whether the taxpayer has complied with the requirements of this chapter. If the taxpayer has not complied with these requirements, the tax commissioner may provide the tax type, the tax period for which a return has not been filed, and if the taxpayer has failed to pay any tax, the amount of tax, penalty, and interest owed. The information obtained under this subsection is confidential and may be used only for the purposes identified in this subsection. For the purposes of this subsection, a taxpayer is deemed in compliance with this chapter if the taxpayer has entered an agreement with the tax commissioner to cure the taxpayer's noncompliance and the taxpayer is current with those obligations under the agreement.

\_\_\_\_\_  
Speaker of the House

\_\_\_\_\_  
President of the Senate

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of the Senate

This certifies that the within bill originated in the House of Representatives of the Sixty-third Legislative Assembly of North Dakota and is known on the records of that body as House Bill No. 1098.

House Vote:      Yeas 86              Nays 0              Absent 8

Senate Vote:      Yeas 45              Nays 0              Absent 2

\_\_\_\_\_  
Chief Clerk of the House

Received by the Governor at \_\_\_\_\_ M. on \_\_\_\_\_, 2013.

Approved at \_\_\_\_\_ M. on \_\_\_\_\_, 2013.

\_\_\_\_\_  
Governor

Filed in this office this \_\_\_\_\_ day of \_\_\_\_\_, 2013,

at \_\_\_\_\_ o'clock \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of State