

[First Reprint]

**SENATE, No. 4228**

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**STATE OF NEW JERSEY**  
**218th LEGISLATURE**

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INTRODUCED NOVEMBER 14, 2019

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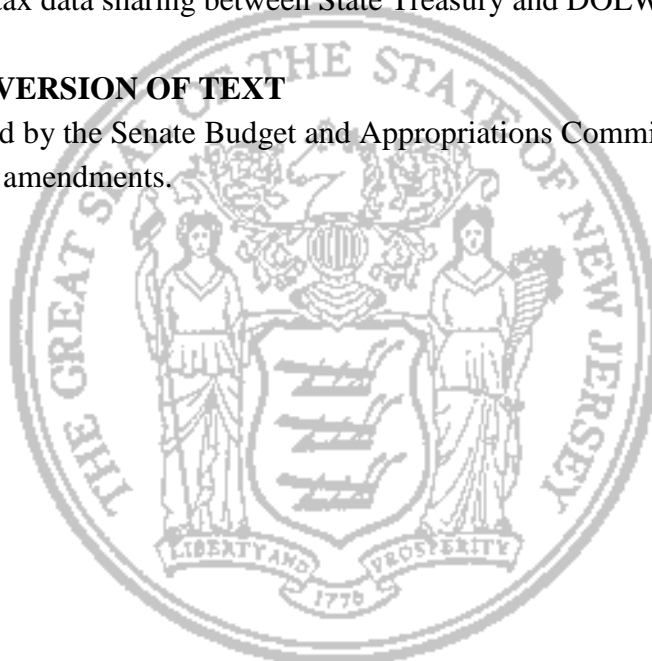
**Senators Greenstein and Singleton**

**SYNOPSIS**

Concerns tax data sharing between State Treasury and DOLWD.

**CURRENT VERSION OF TEXT**

As reported by the Senate Budget and Appropriations Committee on January 6, 2020, with amendments.



**(Sponsorship Updated As Of: 1/14/2020)**

1 AN ACT concerning tax data sharing and amending Title 54 of the  
2 Revised Statutes.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State  
5 of New Jersey:

6

7 1. R.S.54:50-8 is amended to read as follows:

8 54:50-8. a. The records and files of the director respecting the  
9 administration of the State Uniform Tax Procedure Law or of any  
10 State tax law shall be considered confidential and privileged and  
11 neither the director nor any employee engaged in the administration  
12 thereof or charged with the custody of any such records or files, nor  
13 any former officer or employee, nor any person who may have  
14 secured information therefrom under subsection d., e., f., g.,<sup>1</sup> [or]  
15 p., or q. of R.S.54:50-9 or any other provision of State law, shall  
16 divulge, disclose, use for their own personal advantage, or examine  
17 for any reason other than a reason necessitated by the performance  
18 of official duties any information obtained from the said records or  
19 files or from any examination or inspection of the premises or  
20 property of any person. Neither the director nor any employee  
21 engaged in such administration or charged with the custody of any  
22 such records or files shall be required to produce any of them for  
23 the inspection of any person or for use in any action or proceeding  
24 except when the records or files or the facts shown thereby are  
25 directly involved in an action or proceeding under the provisions of  
26 the State Uniform Tax Procedure Law or of the State tax law  
27 affected, or where the determination of the action or proceeding will  
28 affect the validity or amount of the claim of the State under some  
29 State tax law, or in any lawful proceeding for the investigation and  
30 prosecution of any violation of the criminal provisions of the State  
31 Uniform Tax Procedure Law or of any State tax law.

32 b. The prohibitions of this section, against unauthorized  
33 disclosure, use or examination by any present or former officer or  
34 employee of this State or any other individual having custody of  
35 such information obtained pursuant to the explicit authority of State  
36 law, shall specifically include, without limitation, violations  
37 involving the divulgence or examination of any information from or  
38 any copy of a federal return or federal return information required  
39 by New Jersey law to be attached to or included in any New Jersey  
40 return. Any person violating this section by divulging, disclosing or  
41 using information shall be guilty of a crime of the fourth degree.  
42 Any person violating this section by examining records or files for  
43 any reason other than a reason necessitated by the performance of  
44 official duties shall be guilty of a disorderly persons offense.

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SBA committee amendments adopted January 6, 2020.

1 c. Whenever records and files are used in connection with the  
2 prosecution of any person for violating the provisions of this section  
3 by divulging, disclosing or using records or files or examining  
4 records and files for any reason other than a reason necessitated by  
5 the performance of official duties, the defendant shall be given  
6 access to those records and files. The court shall review such  
7 records and files in camera, and that portion of the court record  
8 containing the records and files shall be sealed by the court.

9 (cf: P.L.2007, c.294, s.3)

10  
11 2. R.S.54:50-9 is amended to read as follows:

12 54:50-9. Nothing herein contained shall be construed to prevent:

13 a. The delivery to a taxpayer or the taxpayer's duly authorized  
14 representative of a copy of any report or any other paper filed by the  
15 taxpayer pursuant to the provisions of this subtitle or of any such State  
16 tax law;

17 b. The publication of statistics so classified as to prevent the  
18 identification of a particular report and the items thereof;

19 c. The director, in the director's discretion and subject to  
20 reasonable conditions imposed by the director, from disclosing the  
21 name and address of any licensee under any State tax law, unless  
22 expressly prohibited by such State tax law;

23 d. The inspection by the Attorney General or other legal  
24 representative of this State of the reports or files relating to the claim  
25 of any taxpayer who shall bring an action to review or set aside any tax  
26 imposed under any State tax law or against whom an action or  
27 proceeding has been instituted in accordance with the provisions  
28 thereof;

29 e. The examination of said records and files by the Comptroller,  
30 State Auditor or State Commissioner of Finance, or by their respective  
31 duly authorized agents;

32 f. The furnishing, at the discretion of the director, of any  
33 information contained in tax reports or returns or any audit thereof or  
34 the report of any investigation made with respect thereto, filed  
35 pursuant to the tax laws, to the taxing officials of any other state, the  
36 District of Columbia, the United States and the territories thereof,  
37 providing said jurisdictions grant like privileges to this State and  
38 providing such information is to be used for tax purposes only;

39 g. The furnishing, at the discretion of the director, of any material  
40 information disclosed by the records or files to any law enforcing  
41 authority of this State who shall be charged with the investigation or  
42 prosecution of any violation of the criminal provisions of this subtitle  
43 or of any State tax law;

44 h. The furnishing by the director to the State agency responsible  
45 for administering the Child Support Enforcement program pursuant to  
46 Title IV-D of the federal Social Security Act, Pub.L.93-647 (42 U.S.C.  
47 s.651 et seq.), with the names, home addresses, social security  
48 numbers and sources of income and assets of all absent parents who

- 1 are certified by that agency as being required to pay child support,  
2 upon request by the State agency and pursuant to procedures and in a  
3 form prescribed by the director;
- 4 i. The furnishing by the director to the Board of Public Utilities  
5 any information contained in tax information statements, reports or  
6 returns or any audit thereof or a report of any investigation made with  
7 respect thereto, as may be necessary for the administration of  
8 P.L.1991, c.184 (C.54:30A-18.6 et al.) and P.L.1997, c.162  
9 (C.54:10A-5.25 et al.);
- 10 j. The furnishing by the director to the Director of the Division of  
11 Alcoholic Beverage Control in the Department of Law and Public  
12 Safety any information contained in tax information statements,  
13 reports or returns or any audit thereof or a report of any investigation  
14 made with respect thereto, as may be relevant, in the discretion of the  
15 director, in any proceeding conducted for the issuance, suspension or  
16 revocation of any license authorized pursuant to Title 33 of the  
17 Revised Statutes;
- 18 k. The inspection by the Attorney General or other legal  
19 representative of this State of the reports or files of any tobacco  
20 product manufacturer, as defined in section 2 of P.L.1999, c.148  
21 (C.52:4D-2), for any period in which that tobacco product  
22 manufacturer was not or is not in compliance with subsection a. of  
23 section 3 of P.L.1999, c.148 (C.52:4D-3), or of any licensed distributor  
24 as defined in section 102 of P.L.1948, c.65 (C.54:40A-2), for the  
25 purpose of facilitating the administration of the provisions of  
26 P.L.1999, c.148 (C.52:4D-1 et seq.);
- 27 l. The furnishing, at the discretion of the director, of information  
28 as to whether a contractor or subcontractor holds a valid business  
29 registration as defined in section 1 of P.L.2001, c.134 (C.52:32-44);
- 30 m. The furnishing by the director to a State agency as defined in  
31 section 1 of P.L.1995, c.158 (C.54:50-24) the names of licensees  
32 subject to suspension for non-payment of State tax indebtedness  
33 pursuant to P.L.2004, c.58 (C.54:50-26.1 et al.);
- 34 n. The release to the United States Department of the Treasury,  
35 Bureau of Financial Management Service, or its successor of relevant  
36 taxpayer information for purposes of implementing a reciprocal  
37 collection and offset of indebtedness agreement entered into between  
38 the State of New Jersey and the federal government pursuant to section  
39 1 of P.L.2006, c.32 (C.54:49-12.7);
- 40 o. The examination of said records and files by the Commissioner  
41 of Health and Senior Services, the Commissioner of Human Services,  
42 the Medicaid Inspector General, or their respective duly authorized  
43 agents, pursuant to section 5 of P.L.2007, c.217 (C.26:2H-18.60e),  
44 section 3 of P.L.1968, c.413 (C.30:4D-3), or section 5 of P.L.2005,  
45 c.156 (C.30:4J-12);
- 46 p. The furnishing at the discretion of the director of employer  
47 provided wage and tax withholding information contained in tax  
48 reports or returns filed pursuant to N.J.S.54A:7-2, 54A:7-4 and 54A:7-

1 7, to the designated municipal officer of a municipality authorized to  
2 impose an employer payroll tax pursuant to the provisions of Article 5  
3 (Employer Payroll Tax) of the "Local Tax Authorization Act,"  
4 P.L.1970, c.326 (C.40:48C-14 et seq.), for the limited purpose of  
5 verifying the payroll information reported by employers subject to the  
6 employer payroll tax;

7 q. The furnishing by the director to the Commissioner of Labor  
8 and Workforce Development of any information, including, but not  
9 limited to, tax information statements, reports, audit files, returns, or  
10 reports of any investigation for the purpose of 'labor market'  
11 research'[,] or' assisting in investigations pursuant to any 'state  
12 State' wage, benefit 'and] or' tax law as 'defined] enumerated' in  
13 section 1 of P.L.2009, c.194 (C.34:1A-1.11); or pursuant to P.L.1940,  
14 c.153 (C.34:2-21.1 et seq.).  
15 (cf: P.L.2008, c.38, s.8)

16

17 3. This act shall take effect immediately