

The House Committee on Ways and Means offers the following substitute to HB 811:

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 2 of Title 48 of the Official Code of Georgia Annotated,
2 relating to state administrative organization, so as to provide that the Department of Revenue
3 is authorized to share tax information for the provision of services that assist the department
4 in the identification of taxpayers that are noncompliant with sales and use taxes; to authorize
5 compensation for such services based upon collections that may be attributable thereto; to
6 provide for restrictions and limitations; to provide for an effective date; to provide for related
7 matters; to repeal conflicting laws; and for other purposes.

8 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

9 **SECTION 1.**

10 Article 1 of Chapter 2 of Title 48 of the Official Code of Georgia Annotated, relating to the
11 state administrative organization, is amended by revising subsection (e) of Code Section
12 48-2-15, relating to confidential information, as follows:

13 "(e)(1) This Code section shall not be construed to prohibit persons or groups of persons
14 other than employees of the department from having access to tax information when
15 necessary to:

16 (A) Conduct ~~conduct~~ research commissioned by the department or where necessary in
17 connection with the processing, storage, transmission, and reproduction of such tax
18 information; the programming, maintenance, repair, testing, and procurement of
19 equipment; and the providing of other services for purposes of tax administration; or

20 (B)(i) Contract with an entity licensed to do business in this state for data analytics
21 services that assist the department in the identification of taxpayers that are
22 noncompliant with Chapter 8 of this title; provided, however, that:

23 (I) No such contract shall be for a period of more than three years; and

24 (II) Any services to be performed as provided in this subparagraph shall be by
25 specific North American Industry Classification System (NAICS) sectors, as
26 designated by the commissioner; and when such sectors have been so designated by

27 the commissioner, such services shall encompass the entirety of taxpayers within
 28 such sectors.

29 (ii) Compensation for such data analytics services may be based on collections that
 30 may be attributable thereto.

31 (iii) Any contact with a taxpayer resulting from the data analytics services provided
 32 pursuant to this subparagraph, including correspondence, billings, assessments and
 33 audits, shall only be made by the department.

34 (2)(A) Any such access allowed by this subsection shall be pursuant to a written
 35 agreement with the department providing for the handling, permitted uses, and
 36 destruction of such tax information, requiring security clearance checks for such
 37 persons or groups of persons similar to those required of employees of the department,
 38 and including such other terms and conditions as the department may require to protect
 39 the confidentiality of the tax information to be disclosed.

40 (B) A contracting entity granted access, as provided in subparagraph (B) of
 41 paragraph (1) of this subsection, shall not utilize or retain such taxpayer information,
 42 whether anonymized or not, in any manner that is not specifically authorized in the
 43 written agreement with the department, which shall expressly prohibit any action not
 44 specifically set out in such agreement, including but not limited to the aggregation,
 45 study, transmission, retention, or dissemination of taxpayer information.

46 (C) Any person who divulges or makes known any tax information obtained under this
 47 subsection shall be subject to the same civil and criminal penalties as those provided
 48 for divulgence of information by employees of the department."

49 **SECTION 2.**

50 This Act shall become effective upon its approval by the Governor or upon its becoming law
 51 without such approval.

52 **SECTION 3.**

53 All laws and parts of laws in conflict with this Act are repealed.