

**CHAPTER 8170**  
**DEPARTMENT OF REVENUE**  
**DISCLOSURE OF RETURN INFORMATION**

8170.0100 DISCLOSURE IN INVESTIGATION; THIRD PARTY RETURNS.

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Subpart 1. **Disclosure of return information.** Return information of a taxpayer can be disclosed to taxpayers under investigation if it is pertinent return information of a third party.

Subp. 2. **Definitions.** For purposes of Minnesota Statutes, section 270B.06, subdivision 2, and this part, the definitions in items A and B apply.

A. "Investigation" means an inquiry by the Department of Revenue into whether a taxpayer is liable for a state tax, or whether a taxpayer's return or refund claim is correct. The investigation is not concluded until the taxpayer is found not to be liable, the taxpayer's return or refund claim is accepted, the taxpayer's liability or deficiency is satisfied, or the taxpayer's appeal is finally determined.

B. "Pertinent return information of a third party" means information regarding the liability or refund of one taxpayer which affects another taxpayer's liability or refund.

Examples of such information are:

(1) where more than one taxpayer is or may be liable for the same tax types, periods, and amounts, information regarding personal liability under Minnesota Statutes, section 270C.56, including whether a personal liability assessment has been made against a taxpayer; whether the assessment has been appealed administratively or judicially, and the status of the appeal; whether any amounts have been collected from the taxpayer, and whether the taxpayer is still being pursued for collection; and whether a settlement has been made with the taxpayer and for how much, unless the settlement agreement prohibits disclosure;

(2) information regarding the sales tax liability of a taxpayer which affects the use tax liability of another taxpayer;

(3) information used as a basis for a sales tax assessment against a taxpayer that is obtained from other taxpayers, such as statements from the purchasers of a vendor, or the sales tax history of a previous owner of the taxpayer's business;

(4) whether amounts claimed by an employer as a withholding tax refund have been claimed as a credit by the employees of the employer on their individual income tax returns;

(5) when taxpayers are married and filing separate individual income tax returns, whether either spouse itemized deductions, and if so, how much of the state income tax deduction had to be included in the Minnesota taxable income of either spouse;

(6) whether two or more taxpayers are claiming the same dependent on their individual income tax returns;

(7) information regarding items of expense, deduction, credit, or loss on the individual income tax return of a taxpayer which affects the amount of income that should be reported on the individual income tax return of another taxpayer;

(8) information from the corporate franchise tax return or tax records of a corporation needed to determine the correctness of a corporate franchise tax return of a unitary group with which the corporation is no longer affiliated;

(9) whether a taxpayer filing a property tax refund return has been claimed as a dependent on the individual income tax return of another taxpayer;

(10) information from the individual income tax returns of taxpayers who live in the home of a taxpayer filing a property tax refund return that is needed to determine household income;

(11) when a taxpayer's business accounts receivable have been acquired by a financial institution or other third party pursuant to an assignment, sale, security agreement,

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or liquidation, information from the sales tax returns of the taxpayer necessary for the financial institution or third party to determine the sales taxes it must collect and remit as it collects the accounts receivable;

(12) whether alimony claimed as a deduction on the individual income tax return of one ex-spouse has been reported as income on the individual income tax return of the other ex-spouse; and

(13) information regarding the allocation of the purchase price of a business among the various kinds of assets sold, when the method of allocation reported on the individual income tax return of the seller is different from the allocation reported on the individual income tax return of the purchaser.

**Statutory Authority:** *MS s 270B.19; 270C.06*

**History:** *17 SR 1608; L 2005 c 151 art 1 s 114,116*