

The Vermont Statutes Online

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Title 32 : Taxation and Finance

Chapter 103 : Department of Taxes; Commissioner of Taxes

Subchapter 001 : GENERAL PROVISIONS

(Cite as: 32 V.S.A. § 3102)

§ 3102. Confidentiality of tax records

(a) No present or former officer, employee, or agent of the Department of Taxes shall disclose any return or return information to any person who is not an officer, employee, or agent of the Department of Taxes except in accordance with the provisions of this section. A person who violates this section shall be fined not more than \$1,000.00 or imprisoned for not more than one year, or both; and if the offender is an officer or employee of this State, the offender shall, in addition, be dismissed from office and be incapable of holding any public office for a period of five years thereafter.

(b) The following definitions shall apply for purposes of this chapter:

(1) “Person” shall include any individual, firm, partnership, association, joint stock company, corporation, trust, estate, or other entity.

(2) “Return” means any tax return, declaration of estimated tax, license application, report, or similar document, including attachments, schedules, and transmittals, filed with the Department of Taxes.

(3) “Return information” includes a person’s name, address, date of birth, Social Security or federal identification number or any other identifying number; information as to whether or not a return was filed or required to be filed; the nature, source, or amount of a person’s income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liabilities, tax payments, deficiencies, or over-assessments; and any other data, from any source, furnished to or prepared or collected by the Department of Taxes with respect to any person.

(4) “Tax administration” means the verification of a tax return or claim for credit, rebate, or refund; the investigation, assessment, determination, litigation, or collection of a tax liability of any person; the investigation or prosecution of a tax-related crime; or the

enforcement of a tax statute.

(5) “Commissioner” means the Commissioner of Taxes appointed under section 3101 of this title or any officer, employee, or agent of the Department of Taxes authorized by the Commissioner (directly or indirectly by one or more redelegations of authority) to perform any function of the Commissioner.

(6) “State” means any sovereign body politic, including the United States, any state or territory thereof, and any foreign country or state or province thereof.

(7) “Authorized representative” means any person who would be considered a designee of the taxpayer under 26 U.S.C. § 6103(c). The signature of a notary public shall not be required for a person to be considered an “authorized representative.”

(c) The Commissioner shall disclose a return or information appearing on a return:

(1) to the person who filed the return with the Department of Taxes or any authorized representative of that person; and

(2) to any one of the several persons filing a joint, partnership, or consolidated return with the Department of Taxes, or any authorized representative of those persons.

(d) The Commissioner shall disclose a return or return information:

(1) to any person, in compliance with a judicial order directing disclosure; provided, however, that nothing in this section shall be construed to preclude the Commissioner from contesting the issuance of a judicial order;

(2) to any officer, employee, or agent of any law enforcement authority, if pursuant to a warrant issued in accordance with the provisions of Rule 41 of the Vermont Rules of Criminal Procedure; provided, however, that nothing in this section shall be construed to preclude the Commissioner from contesting the issuance of a warrant;

(3) to any person who inquires, provided that the information is limited to whether a person is registered to collect Vermont income withholding, sales and use, meals and rooms, or cannabis excise tax; whether a person is in good standing with respect to the payment of these taxes; whether a person is authorized to buy or sell property free of tax; or whether a person holds a valid license under chapter 205 or 239 of this title or 10 V.S.A. § 1942;

(4) to any other person specifically authorized by law to receive such information;

[Subdivision (d)(5) effective until July 1, 2026; see also subdivision (d)(5) effective July 1, 2026 set out below.]

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, 33 V.S.A. chapter 19, subchapters 1A and 1B, and 21 V.S.A. §§ 346, 387, 712, and 1379;

[Subdivision (d)(5) effective July 1, 2026; see also subdivision (d)(5) effective until July 1, 2026 set out above.]

(5) to the Attorney General, if such return or return information relates to chapter 205 of this title or 33 V.S.A. chapter 19, subchapters 1A and 1B, for purposes of investigating potential violations of and enforcing 7 V.S.A. chapter 40, 20 V.S.A. chapter 173, subchapter 2A, and 33 V.S.A. chapter 19, subchapters 1A and 1B;

(6) to the Vermont Economic Progress Council, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed is reasonably necessary for the Council to perform its duties under that subchapter;

(7) to the Joint Fiscal Office pursuant to subsection 10503(e) of this title and subject to the conditions and limitations specified in that subsection; and

(8) to the Attorney General; the Data Clearinghouse established in the October 2017 Non-Participating Manufacturer Adjustment Settlement Agreement, which the State of Vermont joined in 2018; the National Association of Attorneys General; and counsel for the parties to the Agreement as required by the Agreement and to the extent necessary to comply with the Agreement and only as long as the State is a party to the Agreement.

(e) The Commissioner may, in the Commissioner's discretion and subject to such conditions and requirements as the Commissioner may provide, including any confidentiality requirements of the Internal Revenue Service, disclose a return or return information:

(1) To any person, provided that the information appears in records that are otherwise available to the general public; it shall not be an abuse of discretion to deny disclosure on the grounds that the information is of the type available at a town clerk's office.

(2) To any person, provided that such disclosure is reasonably necessary for purposes of Vermont tax administration.

(3) To any officer, employee, or agent of any other state or Vermont municipality that administers its own local option sales tax or meals and rooms tax or gross receipts tax under its charter, provided that the information will be used by that state or municipality for tax administration and that state or municipality grants substantially similar disclosure privileges to this State and provides for the secrecy of records in terms substantially similar to those provided by this section.

(4) To any officer, employee, or agent of any law enforcement authority pursuant to a judicial order issued ex parte upon application by the Commissioner for the purpose of determining the location of a fugitive from justice or under circumstances involving an imminent danger of death or serious bodily injury to an individual. Information disclosed under this subdivision shall be used exclusively for the purpose for which disclosure was granted.

(5) To the person whose return information is sought, or any duly authorized representative of that person.

(6) To any person who shall use such return or return information solely in connection with the processing of such a return or return information or in connection with the audit of the books, records, and accounts of the Department of Taxes.

(7) To any person, or that person's duly authorized representative, provided that the information is necessary to determine that person's liability for a tax administered by the Commissioner and cannot reasonably be obtained from another source.

(8) To the Commissioner of Labor for the purpose of establishing the identity or liability of employers for unemployment compensation.

(9) To any person, provided that the disclosure is reasonably necessary to investigate or discipline employee misconduct relating to the failure of an employee of the Department of Taxes to comply with federal or State tax laws.

(10) To any person, provided that the disclosure is reasonably necessary to investigate the truthfulness of a statement made pursuant to section 3113 of this title that a contractor, licensee, or person authorized by the State to conduct a trade or business is in good standing with respect to or in full compliance with a plan to pay any and all taxes due as of the date such statement is made, or to discipline or prosecute any person making a false statement.

(11) To the Joint Fiscal Office or its agent, provided that the disclosure relates to a successful business applicant under chapter 105, subchapter 2 of this title and the incentive it has claimed and is reasonably necessary for the Joint Fiscal Office or its agent to perform the duties authorized by the Joint Fiscal Committee or a standing committee of the General Assembly under that subchapter; to the Auditor of Accounts for the performance of duties under section 163 of this title; and to the Department of Economic Development for the purposes of subsection 5922(f) of this title.

(12) [Repealed.]

(13) To the Center for Crime Victim Services for the purpose of determining or verifying a defendant's assets and income pursuant to 13 V.S.A. § 7043.

(14) To the Office of the State Treasurer, only in the form of mailing labels, with only the last address known to the Department of Taxes of any person identified to the Department by the Treasurer by name and Social Security number, for the Treasurer's use in notifying owners of unclaimed property.

(15) To the Division of Liquor Control, provided that the information is limited to information concerning the sales and use tax and meals and rooms tax filing history with respect to the most recent five years of a person seeking a liquor license or a renewal of a liquor license.

(16) To the Commissioner of Financial Regulation and the Commissioner of Vermont Health Access, if such return or return information relates to obligations of health insurers under chapter 243 of this title.

(17) To the Department of Financial Regulation, if such return or return information relates to the tax on premiums of captive insurance companies contained in 8 V.S.A. chapter 141, to the tax on surplus lines under 8 V.S.A. § 5035, to the tax on the direct placement of insurance under 8 V.S.A. § 5036, or to the tax on insurance premiums under section 8551 of this title.

(18) To the Agency of Natural Resources, if such return or return information relates to the tax on hazardous waste under chapter 237 of this title or to the franchise tax on waste facilities under chapter 151, subchapter 13 of this title.

(19) To the Vermont Student Assistance Corporation, if such return or return information is necessary to verify eligibility for the matching allocation required by 16 V.S.A. § 2880d(c).

(20) To a publicly traded partnership as defined in subdivision 5920(h)(1) of this title and to lower-tier pass-through entities of a publicly traded partnership as defined in subdivision 5920(h)(4) of this title for the purpose of reviewing, granting, or denying exemption requests from the requirements of section 5920 of this title.

(21) To the Department of Vermont Health Access for purposes of providing outreach to Vermont residents without minimum essential coverage pursuant to section 10454 of this title.

(22) To the Agency of Natural Resources and the Department of Public Service, provided that the disclosure relates to the sales and use tax for aviation jet fuel and natural gas under chapter 233 of this title or to the fuel tax under 33 V.S.A. chapter 25 and is subject to any confidentiality requirements of the Internal Revenue Service and the disclosure exemption provisions of 1 V.S.A. § 317.

(23) To the Public Utility Commission and the Department of Public Service, provided the disclosure relates to the fuel tax under 33 V.S.A. chapter 25 and is used for the purposes of auditing compliance with the Clean Heat Standard under 30 V.S.A. chapter 94. The Commissioner shall, at a minimum, provide the names of any new businesses selling heating fuel in any given year and the names of any businesses that are no longer selling heating fuel.

(24) To the Division of Emergency Management at the Department of Public Safety for the purposes of emergency management and communication, and to the Department of Housing and Community Development and any organization then under contract with the Department of Housing and Community Development to carry out a statewide housing needs assessment for the purpose of the statewide housing needs assessment, provided that the disclosure relates to the information collected on the landlord certificate pursuant to subsection 6069(c) of this title.

(f) Notwithstanding the provisions of this section, information obtained from the Commissioner for Children and Families under 33 V.S.A. § 112(c), the Vermont Student Assistance Corporation under 16 V.S.A. § 2843, or the Dental Health Program under 33 V.S.A. § 4507 shall be confidential, and it shall be unlawful for anyone to divulge such information except in accordance with a judicial order or as provided under another provision of law.

(g) Nothing in this section shall be construed to prohibit the publication of statistical information, rulings, determinations, reports, opinions, policies, or other information so long as the data is disclosed in a form that cannot identify or be associated with a particular person.

(h) If any provision of Vermont law authorizes or requires the Commissioner to divulge or make known in any manner any return or return information, the person or persons receiving such return or return information (other than information disclosed under subsection (i) of this section) shall be subject to the provisions of subsection (a) of this section as if such person were the agent of the Commissioner. Nothing in this subsection shall be construed to restrict the disclosure of a return or return information by the person to whom it relates.

(i) The Commissioner may, for the purpose of notifying the public of the revocation of a meals and rooms tax license or sales and use tax certificate, disclose the name of the taxpayer and name of the business, the business address, and the license or certificate number.

[Subsection (j) effective until contingency met; see also subsection (j) effective July 1, 2028 if contingency met, set out below.]

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating credits under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

[Subsection (j) effective July 1, 2028 if contingency met; see also subsection (j) effective until contingency met, set out above.]

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating the homestead property tax exemption and the municipal property tax credit under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

(k) Notwithstanding subsection (j) of this section, the Commissioner or a municipal official acting as the Commissioner's agent may provide the information in subsection 6066a(f) of this title to the following persons without incurring liability under this section:

(1) an escrow agent, the owner of the property to which the credit applies, a town auditor, or a person hired by the town to serve as an auditor;

(2) a lawyer, including a paralegal or assistant of the lawyer; an employee or agent of a financial institution as that term is defined in 8 V.S.A. § 11101; an employee or agent of a credit union as that term is defined in 8 V.S.A. § 30101; a realtor; or a certified public accountant as that term is defined in 26 V.S.A. § 13(12), who represents that the individual has a need for the information as it pertains to a real estate transaction or to a client or customer relationship; and

(3) any other person as long as the taxpayer has filed a written consent to such disclosure with the municipality.

(l)(1) The Commissioner of Taxes and the Chief Fiscal Officer of the Joint Fiscal Office shall enter into a memorandum of understanding in order to provide the Joint Fiscal Office with State returns and return information necessary for the Joint Fiscal Office or its agents to perform its duties, including conducting its own statistical studies, forecasts, and fiscal analysis.

(2) The memorandum of understanding shall provide for:

(A) mechanisms to prevent the identification of individual taxpayers, including the redaction of any information that identifies a particular taxpayer;

(B) protocols for handling and transmitting returns and return information;

(C) the designation of specific employees of the Joint Fiscal Office with access to the information provided by the Department of Taxes; and

(D) the incorporation of penalties for unauthorized disclosures under subsections (a) and (h) of this section.

(m) Notwithstanding any other provision of law, the Commissioner may publish the names, addresses, and amounts of tax liability for the 100 individual taxpayers and 100 business taxpayers with the greatest unresolved tax liability under this title. The Commissioner shall send a notice of intent to publish a taxpayer's name, tax liability, and address to the taxpayer before publication. A taxpayer's information may only be published pursuant to this subsection if he or she has been delinquent for more than 90 days after the end of any applicable administrative appeal periods.

(n) Data reported to the Commissioner of Taxes by a deposit initiator under 10 V.S.A. § 1530 shall not be considered confidential return or return information under this section, provided that the Commissioner may only disclose the data in summary or aggregated form that does not directly or indirectly identify individual deposit initiators except when the Commissioner discloses data regarding individual deposit initiators to the Secretary of

Natural Resources in relation to the administration of 10 V.S.A. chapter 53. (Amended 1965, No. 194, § 10, eff. July 1, 1965, operative Feb. 1, 1967; 1987, No. 278 (Adj. Sess.), § 2, eff. June 21, 1988; 1989, No. 222 (Adj. Sess.), § 3, eff. May 31, 1990; 1991, No. 186 (Adj. Sess.), §§ 38, 39, eff. May 7, 1992; 1993, No. 49, §§ 1, 22, eff. May 28, 1993; 1995, No. 29, § 3, eff. April 14, 1995; 1999, No. 147 (Adj. Sess.), § 4; 1999, No. 159 (Adj. Sess.), § 16; 2001, No. 114 (Adj. Sess.), § 7b, eff. May 28, 2002; 2001, No. 134 (Adj. Sess.), § 8, eff. June 21, 2002; 2001, No. 138 (Adj. Sess.), § 2, eff. June 21, 2002; 2003, No. 14, § 2; 2003, No. 57, § 12, eff. July 1, 2004; 2005, No. 103 (Adj. Sess.), § 3, eff. April 5, 2006; 2005, No. 174 (Adj. Sess.), § 63; 2005, No. 184 (Adj. Sess.), § 10, eff. Jan. 1, 2007; 2007, No. 190 (Adj. Sess.), §§ 38, 39, eff. June 6, 2008; 2009, No. 22, § 7; 2011, No. 45, § 31, eff. May 24, 2011; 2011, No. 143 (Adj. Sess.), §§ 4, 5, eff. May 15, 2012; 2013, No. 73, § 6; 2013, No. 73, § 49, eff. July 1, 2013; 2013, No. 174 (Adj. Sess.), § 31, eff. June 4, 2014; 2015, No. 97 (Adj. Sess.), § 83; 2015, No. 134 (Adj. Sess.), § 1, eff. May 25, 2016; 2015, No. 157 (Adj. Sess.), § H.4, eff. Jan. 1, 2017; 2017, No. 69, § A.2, eff. June 28, 2017; 2017, No. 73, § 3, eff. June 13, 2017; 2017, No. 73, § 17, eff. Jan. 1, 2018; 2019, No. 51, §§ 1, 11, eff. June 10, 2019; 2019, No. 63, § 2, eff. Jan. 1, 2020; 2019, No. 73, § 43; 2019, No. 85 (Adj. Sess.), § 7, eff. Feb. 20, 2020; 2019, No. 85 (Adj. Sess.), § 14, eff. July 1, 2020; 2019, No. 99 (Adj. Sess.), § 1, eff. April 28, 2020; 2019, No. 99 (Adj. Sess.), § 2, eff. Jan. 15, 2021; 2019, No. 164 (Adj. Sess.), § 14a, eff. March 1, 2022; 2019, No. 175 (Adj. Sess.), § 20, eff. Oct. 8, 2020; 2021, No. 3, § 60, eff. Jan. 15, 2021; 2021, No. 3, § 61, eff. July 1, 2021; 2021, No. 3, § 62, eff. July 1, 2024; 2021, No. 105 (Adj. Sess.), § 495, eff. July 1, 2022; 2023, No. 3, § 102, eff. March 20, 2023; 2023, No. 142 (Adj. Sess.), § 12, eff. May 30, 2024; 2023, No. 181 (Adj. Sess.), § 99, eff. June 17, 2024; 2025, No. 57, § 19, eff. July 1, 2025; 2025, No. 73, § 55, contingently eff. July 1, 2028.)