

## CHAPTER 56

**AN ACT** concerning the reporting of certain account information by financial institutions to the Director of the Division of Taxation and supplementing subtitle 9 of Title 54 of the Revised Statutes.

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

C.54:50-37 Definitions relative to reporting of certain account information by financial institutions; report requirements.

1. a. For purposes of this section:

"Account" means a demand deposit account, checking or negotiable order of withdrawal account, savings account, time deposit account, or money market mutual fund account. "Account" also includes an equity securities account if permitted under federal law. "Account" does not include: an account to which a tax debtor does not have access due to the pledge of funds as security for a loan or other obligation; funds deposited to an account after the time that a financial institution initially attaches an account; an account to which a financial institution has a present right to exercise a right of set off; an account to which the tax debtor does not have an unconditional right of access; and an account that has an account holder of interest named as an owner on the account.

"Account holder of interest" means any person, other than the tax debtor, who asserts an ownership interest in an account.

"Director" means the Director of the Division of Taxation in the Department of the Treasury.

"Financial institution" means a State or federally chartered bank, savings bank, savings and loan or credit union; a benefit association; insurance company; safe deposit company; money market mutual fund; or similar entity authorized to do business in this State. "Financial institution" also includes an investment and loan corporation if permitted under federal law.

"Tax debtor" means a person liable for a State tax indebtedness, including tax, interest, penalties and related fees, that has been reduced to judgment pursuant to a Certificate of Debt filed with the Clerk of the Superior Court by the director.

b. The Director may request assistance and information from financial institutions in order to collect on the judgment of a tax debtor, as follows:

(1) Not more frequently than once every calendar quarter, or as otherwise agreed to by the financial institution, the director may provide to a financial institution information in an electronic format containing the names, social security numbers or other taxpayer identification numbers and any other identifying information within the director's records, of tax debtors and request that the financial institution provide a report to the director pursuant to paragraph (2) of this subsection.

(2) Within 30 days of the request by the director, or as otherwise agreed to by the financial institution, the financial institution shall provide a report, in an electronic format prescribed by the director, containing the following information appearing in the records of the financial institution with respect to each tax debtor having an account with that financial institution: full name; address; social security or other taxpayer identification number; any other identifying information; and all account numbers and the balances in each account.

c. A financial institution that complies with a request from the director by submitting a report to the director in accordance with this section shall not be liable under State law to any person for any disclosure of information to the director, or any other action taken in good faith to comply with the requirements of this section.

d. A financial institution furnishing a report to the director under this section is prohibited from disclosing to a tax debtor that the name of the debtor has been received from or furnished to the director unless authorized in writing by the director. A violation of this subsection shall result in the imposition of a civil penalty of \$1,000 for each instance of unauthorized disclosure by a financial institution.

e. The director may institute civil proceedings to enforce the provisions of this section.

f. The procedures described in this section are in addition to any remedies available by law to the director for the collection of tax indebtedness.

g. The director may promulgate regulations concerning the administration of this section.

2. This act shall take effect immediately.

Approved June 29, 2004.