



1 false as to any material matter, whether or not the falsity or fraud is  
2 with the knowledge or consent of the person authorized or required to  
3 present or file the return, affidavit, claim, or other document, ~~shall be~~  
4 guilty of a ~~Class H felony~~. felony as follows:

5 a. If the person who commits an offense under this subdivision is  
6 an income tax return preparer and the amount of all taxes  
7 fraudulently evaded on returns filed in one taxable year is one  
8 hundred thousand dollars (\$100,000) or more, the person is  
9 guilty of a Class C felony.

10 b. If the person who commits an offense under this subdivision is  
11 an income tax return preparer and the amount of all taxes  
12 fraudulently evaded on returns filed in one taxable year is less  
13 than one hundred thousand dollars (\$100,000), the person is  
14 guilty of a Class F felony.

15 c. If the person who commits an offense under this subdivision is  
16 not covered under sub-subdivision a. or b. of this subdivision,  
17 the person is guilty of a Class H felony."

18 **SECTION 3.** G.S. 105-159.1(e) reads as rewritten:

19 "(e) ~~A An paid preparer of tax returns~~ income tax return preparer may not  
20 designate on a return that the taxpayer does or does not desire to make the political  
21 contribution authorized in this section unless the taxpayer or the taxpayer's spouse has  
22 consented to the designation."

23 **SECTION 4.** G.S. 105-236 is amended by adding a new subdivision to read:

24 "**§ 105-236. Penalties.**

25 Penalties assessed by the Secretary under this Subchapter are assessed as an  
26 additional tax. Except as otherwise provided by law, and subject to the provisions of  
27 G.S. 105-237, the following penalties shall be applicable:

28 ...

29 (10b) Misrepresentation Concerning Payment. – A person who receives  
30 money from a taxpayer with the understanding that the money is to be  
31 remitted to the Secretary for application to the taxpayer's tax liability  
32 and who willfully fails to remit the money to the Secretary is guilty of  
33 a Class F felony."

34 **SECTION 5.** G.S. 105-259(b) is amended by adding a new subdivision to  
35 read:

36 "(b) Disclosure Prohibited. – An officer, an employee, or an agent of the State  
37 who has access to tax information in the course of service to or employment by the State  
38 may not disclose the information to any other person unless the disclosure is made for  
39 one of the following purposes:

40 ...

41 "(15a)To furnish to the head of the appropriate State or federal law  
42 enforcement agency information concerning the commission of an  
43 offense under the jurisdiction of that agency discovered by the  
44 Department during a criminal investigation of the taxpayer."

1           **SECTION 6.** Sections 1 through 4 of this act become effective December 1,  
2 2002, and apply to actions that are committed on or after that date. The remainder of  
3 this act is effective when it becomes law.