

2013 DRAFTING REQUEST

Bill

Received:	10/11/2012	Received By:	tdodge
Wanted:	As time permits	Same as LRB:	
For:	Administration-Budget 266-7597	By/Representing:	Ley
May Contact:		Drafter:	tdodge
Subject:	Health - vital statistics	Addl. Drafters:	agary gmalaise jkuesel pkahler rchampag
		Extra Copies:	MED - 1

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to: **tamara.dodge@legis.wisconsin.gov
gordon.malaise@legis.wisconsin.gov
rick.champagne@legis.wisconsin.gov
aaron.gary@legis.wisconsin.gov
michael.duchek@legis.wisconsin.gov**

Pre Topic:

DOA:.....Ley, BB0103 -

Topic:

State agency data sharing to address fraud, identity theft and nonfiling or underreporting

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	tdodge 10/30/2012	evinz 10/31/2012		_____			
/P1	tdodge 1/23/2013	evinz 1/23/2013	jmurphy 11/1/2012	_____	srose 11/1/2012		State S&L
/1			jfrantze 1/24/2013	_____	sbasford 1/24/2013		State S&L

FE Sent For:

<END>

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/?	tdodge 10/30/2012	evinz 10/31/2012		_____			
/P1	tdodge	evinz 10/31/2012	jmurphy 11/1/2012	_____	srose 11/1/2012		State S&L

1 ev 1/23/13 1 ev 1/23/13 Per [Signature] 1/24

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<END>

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See attached

Handwritten signature and date: "RS" above a signature, followed by "11/11".

FE Sent For:

<END>

Dodge, Tamara

From: Hanaman, Cathlene
Sent: Wednesday, October 10, 2012 5:25 PM
To: Kahler, Pam; Malaise, Gordon; Dodge, Tamara
Subject: FW: Statutory Language Drafting Request
Attachments: 7034 State Agency Data Sharing to Address Fraud, Identity Theft.docx

From: Emily.Ley@wisconsin.gov [mailto:Emily.Ley@wisconsin.gov]
Sent: Wednesday, October 03, 2012 5:21 PM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Frederick, Caitlin - DOA; Ley, Emily A - DOA
Subject: Statutory Language Drafting Request

13-0317

Biennial Budget: 2013-15

Topic: State Agency Data Sharing to Address Fraud, Identity Theft, and Nonfiling/Underreporting

Tracking Code: BB0103

SBO Team: TLGED

SBO Analyst: Ley, Emily - DOA
Phone: 608-266-7597
E-mail: Emily.Ley@wisconsin.gov

Agency Acronym: DOR

Agency Number: 566

Priority: Medium

Intent: Identify and amend numerous statutes that apply to disclosure of various types of information by specific state agencies. See attached.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov

**TITLE: STATE AGENCY DATA SHARING TO ADDRESS FRAUD, IDENTITY THEFT, AND
NONFILING/UNDERREPORTING**

DESCRIPTION OF CURRENT LAW AND PROBLEM

Refund fraud and identity theft are growing concerns which pose a threat to the tax base and cause hardship to innocent taxpayers.

The most common refund fraud cases are:

- Large refund claims based on fraudulent W-2 statement(s) where the state tax withholding is greater than the tax liability shown on the return
- Refund claims made by perpetrators using a stolen social security number to file a return under someone else's identity
- False or intentionally overstated earned income credit (EIC) or homestead credit refund claims

Data from other Wisconsin state agencies (e.g. Department of Transportation, Department of Children and Families, etc.) is a valuable resource to help in identifying fraudulent refunds before they are released and to protect taxpayers from identity theft. The problem is that the data is dispersed among several agencies that are often uncertain as to whether law permits them to share information with the Department of Revenue (DOR).

Attachment 1 summarizes the data that resides in various agencies which may assist in identifying refund fraud, reduce identity theft, and the nonfiling/underreporting of tax. Over the years DOR has had varying degrees of success in obtaining information from these agencies.

With the growing concerns over refund fraud and identity theft, now is the time to enact legislation which specifically authorizes other agencies in this state to share information with the Department of Revenue.

RECOMMENDATION FOR ACTION

Identify and amend numerous statutes that apply to disclosure of various types of information by specific state agencies.

IMPACT ON JOB CREATION

This proposal has minimal impact on job creation.

FISCAL EFFECT

While it's difficult to estimate a fiscal effect, the following points illustrate the scale of the refund fraud problem and potential to recover collections by obtaining the various types of data described on Attachment 1:

- The IRS estimates that in 2011, it received between \$11.5 billion and \$16.5 billion in fraudulent refund claims. Of this amount, it detected and prevented about \$6.5 billion.

- Translating the above numbers to Wisconsin (adjusting for Wisconsin's population and differences in tax rates) results in a Wisconsin estimate of between \$40 million and \$65 million in fraudulent claims received.
- In FY12 alone, DOR denied over \$23 million in incorrect or fraudulent EIC and homestead credit refund claims and about \$3.1 million in fraudulent refunds from filers using stolen identities or falsified W-2s.
- The observed error/fraud rate for Wisconsin EIC and homestead credit refund claims is 9.2% (up from 6.5% in 2008). However, the IRS estimates that the *actual* error/fraud rate for EIC is between 23% and 28%. That means Wisconsin may be detecting less than half of the errors/fraud.
- In the past, when data was obtained from Department of Employee Trust Funds on tax deferred annuity payments, DOR collected \$753,052 from audits based on that data.

DRAFTING INSTRUCTIONS

See Attachment 2.

EFFECTIVE DATE AND/OR INITIAL APPLICABILITY

Day after publication.

INTERESTED/AFFECTED PARTIES

- Persons who want to stop fraudulent credit claims
- Delinquent taxpayers
- Department of Children and Families (DCF)
- Department of Employee Trust Funds (ETF)
- Department of Health Services (DHS)
- Department of Transportation (DOT)
- Department of Workforce Development (DWD)

Attachment 1:

State Agency Data That Would Help Us Fight Fraud and Increase Compliance

What the data would most directly help DOR with

Data Type	Agency	Is Current Statute Sufficient?	ID-Related Fraud	Homesite	EIC	Nonfiling/ Understated Income
State/Federal SSI and SSI-E	DCF			X		
Caretaker Supplement Payments	DCF			X		
Child Support	DCF			X	X	
Alimony	DCF			X	X	X
Kinship Care/Child Welfare	DCF			X	X	
Marriage Licenses	DHS			X	X	
Birth Records	DHS				X	
Medicaid Vendor Payments	DHS			X	X	X
Professional Licenses from DSPS	DSPS	✓			X	X
Prison Inmates	DOC	✓	X	X	X	
Validated SSNs	DOT		X	X	X	
Worker's Compensation	DWD			X		X
Unemployment Applications	DWD				X	
Tax Deferred Annuity Payments	ETF					X
Eligible WRS Participants	ETF					X
Professional Licenses – agencies other than DSPS	**				X	X

*For those not checked, the current statute may be sufficient, depending on how the various agencies interpret the statutes and memoranda of understanding that are already in place.

**Agencies other than DSPS that have data relating to professional licenses and credentials: DCF, DFI, DHS, DNR, DOT, DPI, OCI

Attachment 2: Drafting Instructions

Data from Department of Children and Families

The proposed statutory changes that relate to data from the Department of Children and Families are to:

- Amend sec. 49.83 so it specifically allows DOR to access databases maintained by DCF and includes "verifying refundable credits" as an allowable purpose.
- Add language in ch. 48 of the statutes which parallels sec. 49.83.

Drafting Instructions:

- I. Amend sec. 49.83 as follows:

Sec. 49.83. Limitation on giving information. Except as provided under ss. 49.25 and 49.32 (9), (10), and (10m), no person may use or disclose information concerning applicants and recipients of relief funded by a relief block grant, aid to families with dependent children, Wisconsin Works under ss. 49.141 to 49.161, social services, child and spousal support and establishment of paternity and medical support liability services under s. 49.22, or supplemental payments under s. 49.77 for any purpose not connected with the administration of the programs, except that the department of children and families may disclose such information to the department of revenue, including transmitting or granting access to electronic data, for the solely for purposes of verifying refundable credits and administering state taxes. Any person violating this section may be fined not less than \$25 nor more than \$500 or imprisoned in the county jail not less than 10 days nor more than one year or both.

- II. Create sec. 48.78(3) as follows:

(3) Notwithstanding sub. (2), the department may, upon request, provide to the department of revenue information on kinship care payments and any other payments made by the department that are described in this chapter, solely for purposes of verifying refundable credits and administering state taxes. This includes transmitting or granting access to electronic data. Any information so obtained by the department of revenue shall be subject to the confidentiality provisions of s. 71.78.

Data from Department of Employee Trust Funds

Drafting Instructions:

Create sec. 40.016 as follows:

Sec. 40.016. Upon request of the department of revenue, the department may disclose information, including social security numbers, to the department of revenue concerning an annuity for the sole purpose of administering state taxes, for the purposes of locating persons, or the assets of persons, who have failed to file tax returns, who have underreported their taxable income or who are delinquent taxpayers, identifying fraudulent tax returns or providing information for tax-related prosecutions.

Data from Department of Health Services – Vital Records

Drafting Instructions

Create sec. 69.20(3)(g) as follows:

Sec. 69.20(3)(g). Upon request of the department of revenue, the state or a local registrar may disclose information, including social security numbers, to the department of revenue concerning a birth or death record for the sole purpose of administering state taxes, for the purposes of locating persons, or the assets of persons, who have failed to file tax returns, who have underreported their taxable income or who are delinquent taxpayers, identifying fraudulent tax returns or providing information for tax-related prosecutions.

Data from Department of Transportation

Specifically authorize the Department of Transportation to allow the Department of Revenue to access records for identification card holders, including social security numbers.

Drafting Instructions:

- I. Renumber sec. 343.50(8)(c)3 to (c)4
- II. Create sec. 343.50(8)(c)3 as follows:

3. Notwithstanding par. (b) and s. 343.14(2j), the department may, upon request, provide to the department of revenue any applicant information maintained by the department of transportation and identified in s. 343.14(2), including social security numbers. This includes providing electronic access to the information. Any information so obtained by the department of revenue shall be subject to the confidentiality provisions of s. 71.78.

Data from Department of Workforce Development

Drafting Instructions:

Create sec. 108.14(7)(d) as follows:

Sec. 108.14(7)(d). Upon request of the department of revenue, the department may disclose information, including social security numbers, to the department of revenue concerning a claimant for the sole purpose of administering state taxes, for the purposes of locating persons, or the assets of persons, who have failed to file tax returns, who have underreported their taxable income or who are delinquent taxpayers, identifying fraudulent tax returns or providing information for tax-related prosecutions.



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0317(?)

TJD/PJK/GMM: 0...

In: 10/30/2012

Leev
RMNR
PI

DOA:.....Ley, BB0103 - State agency data sharing to address fraud, identity theft and nonfiling or underreporting

FOR 2013-2015 BUDGET - NOT READY FOR INTRODUCTION

D. note

1 AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

OTHER HEALTH AND HUMAN SERVICES

Insert GMM-A

Under current law, disclosure of information from vital records, such as birth and death certificates, is limited. Among making other specified, limited disclosures, the state or local registrar may disclose certain information from a vital record to a federal, state, or local agency, upon request by that agency, for use in the conduct of the agency's duties and may disclose a social security number on a vital record or a county child support agency for purposes related to child and spousal support and establishment of paternity. This bill allows the state or local registrar to disclose information on a birth or death certificate, including a social security number, to DOR, upon DOR's request, for the following purposes related to administering state taxes: locating persons, or assets of persons, who have failed to file tax returns, have underreported their taxable income, or are delinquent taxpayers; identifying fraudulent tax returns; and providing information for tax-related prosecutions.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

Insert PJK-ANAL

Insert RAC Analysis

Insert Anal-ARG

to

Insert RAC

2013 - 2014 Legislature

SECTION 1

Insert Gmm-1

Insert PJK 1

SECTION 1. 69.20 (3) (g) of the statutes is created to read:

2 69.20 (3) (g) The state or local registrar, upon request of the department of
3 revenue, may disclose information on a birth or death certificate, including a social
4 security number, to the department of revenue for only the following purposes
5 related to administering state taxes:

- 6 1. Locating persons, or the assets of persons, who have failed to file tax returns,
- 7 have underreported their taxable income, or are delinquent taxpayers.
- 8 2. Identifying fraudulent tax returns.
- 9 3. Providing information for tax-related prosecutions.

****NOTE: The language in the request stated that there was a sole purpose for disclosure of information from vital records, but the language seemed to contain multiple purposes. Please review this language to confirm I interpreted the request as intended.

****NOTE: Attachment 1 provided with the request mentioned birth records and marriage licenses, but the statutory language mentioned birth and death certificates. I have limited this provision to disclosure from birth and death certificates. Please advise if there are any other vital records you want included.

10

(END)

D-note

Insert
TEXT ARB

2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0317/?ins
PJK:.....

INSERT PJK-ANAL

(CS)
PUBLIC ASSISTANCE

Current law prohibits any person from disclosing information about individuals applying for or receiving benefits under a number of public assistance programs for any purpose not related to administration of the programs. DCF is authorized, however, to disclose such information to DOR for the sole purpose of administering state taxes. The bill provides that DCF may disclose such information by transmitting or allowing access to electronic data and that administering state taxes includes verifying refundable income tax credits.

(END OF INSERT PJK-ANAL)

INSERT PJK

SECTION 1. 49.83 of the statutes is amended to read:

49.83 Limitation on giving information. Except as provided under ss. 49.25 and 49.32 (9), (10), and (10m), no person may use or disclose information concerning applicants and recipients of relief funded by a relief block grant, aid to families with dependent children, Wisconsin Works under ss. 49.141 to 49.161, social services, child and spousal support and establishment of paternity and medical support liability services under s. 49.22, or supplemental payments under s. 49.77 for any purpose not connected with the administration of the programs, except that the department of children and families may disclose, including by transmitting or granting access to electronic data, such information, including social security numbers, to the department of revenue for the sole purpose of administering state taxes, including verifying refundable individual income tax credits. Any person violating this section may be fined not less than \$25 nor more than \$500 or imprisoned in the county jail not less than 10 days nor more than one year or both.

History: 1995 a. 27 ss. 3142, 3144; Stats. 1995 s. 49.83; 1995 a. 289, 361, 404; 1997 a. 35; 2005 a. 25; 2007 a. 20; 2009 a. 28.

****NOTE: Why isn't verifying refundable credits considered part of administering state taxes? Isn't ensuring program integrity part of administration? Do you really even need this addition to the statute?

****NOTE: Do you want me to add DHS to the section above as an agency that may disclose information to DOR, since DHS administers relief block grants, the program

lvs PJK contd

under s. 49.77, and probably "social services"? I suspect that drafting oversights over the years have resulted in giving DCF the sole authority to disclose information under this section, including information about programs administered by DHS.

(END OF INSERT PJK)

2013-2014 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0317/1insgm
GMM.....

(INSERT GMM-1)

1 **SECTION 1.** 48.78 (2) (k) of the statutes is created to read:
2 48.78 (2) (k) Paragraph (a) does not prohibit the department of children and
3 families from providing to the department of revenue, upon request, information
4 concerning a recipient of payments under s. 48.57 (3m) or (3n) or aid under s. 48.645,
5 including information contained in the electronic records of the department of
6 children and families, solely for the purpose of administering state taxes, including
7 verifying a claim for a state tax refund or a refundable state tax credit. Any
8 information obtained by the department of revenue under this paragraph is subject
9 to the confidentiality provisions specified in s. 71.78.

(END OF INSERT)

✓ (INSERT GMM-A)

→
Subject to certain exceptions, current law requires a social services agency, including DCF, to maintain the confidentiality of records kept or information received about an individual who is or was in the care or legal custody of the agency. The bill permits DCF to provide to DOR, upon request, information concerning a recipient of kinship care payments or aid granted on behalf of a child placed in a foster home, group home, subsidized guardianship home, or residential care center for children and youth, including information contained in the electronic records of DCF, solely for the purpose of administering state taxes, including verifying a claim for a state tax refund or a refundable state tax credit.

(END OF INSERT)

✓
~~HEALTH AND SOCIAL SERVICES~~

✓
C HILDREN

RAC

Insert Analysis:

RETIREMENT AND
GROUP INSURANCE

Headings - all caps

This bill permits DETF to disclose information concerning the payment of annuities under the Wisconsin Retirement System (WRS) to DOR for the purposes of administering the payment of state taxes; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent taxpayers; identifying fraudulent tax returns; or providing information for tax-related prosecutions.

SECTION 1. 40.07 (1r) of the statutes is created to read:

40.07 (1r) Upon request of the department of revenue, the department may disclose information, including social security numbers, to the department of revenue concerning an annuity for only the following purposes:

- (a) To administer the payment of state taxes.
- (b) To locate participants, or the assets of participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent taxpayers.
- (c) To identify fraudulent tax returns.
- (d) To provide information for tax-related prosecutions.

Insert
RAC

1 **INSERT ANAL-ARG:**

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Current law requires DOT to issue an identification card, upon proper application, to a resident who does not hold a valid driver's license containing a photograph. DOT must maintain current records for identification cards in the same manner as required for driver's licenses. DOT may not disclose any identification card record or other information except in limited circumstances, including to a court, district attorney, or law enforcement agency.

Current law also requires DOT to provide to DOR a person's name, address, license number, and social security number, as stated on the person's application for a driver's license or identification card, for DOR's use in administering state taxes and collecting debt.

This bill specifies that DOT may, upon request, provide to DOR identification card information maintained by DOT, including social security numbers. DOR is subject to certain confidentiality requirements with respect to this information.

2 **INSERT TEXT-ARG:**

3 **SECTION 1.** 343.50 (8) (c) 3. of the statutes is renumbered 343.50 (8) (c) 5.

4 **SECTION 2.** 343.50 (8) (c) 4. of the statutes is created to read:

5 343.50 (8) (c) 4. Notwithstanding par. (b) and s. 343.14 (2j), the department
6 may, upon request, provide to the department of revenue any applicant information,
7 including social security numbers, maintained by the department of transportation
8 and identified in s. 343.14 (2), including providing electronic access to the
9 information. Any information obtained by the department of revenue under this
10 subdivision is subject to the confidentiality provisions of s. 71.78.



DOA:.....Ley, BB0103 – State agency data sharing to address fraud, identity theft and nonfiling or underreporting

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

SAJ
xref ↓

PWF
Jm10/31
NDF

d-note

don't gen

1 AN ACT . . . relating to: the budget.

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4 (a) To administer the payment of state taxes.

5 (b) To locate participants, or the assets of participants, who have failed to file
6 tax returns, underreported their taxable income, or who are delinquent taxpayers.

7 (c) To identify fraudulent tax returns.

8 (d) To provide information for tax-related prosecutions.

9 SECTION 2. 48.78 (2) (k) of the statutes is created to read:

10 48.78 (2) (k) Paragraph (a) does not prohibit the department of ~~children and~~
11 ~~families~~ from providing to the department of revenue, upon request, information
12 concerning a recipient of payments under s. 48.57 (3m) or (3n) or aid under s. 48.645,
13 including information contained in the electronic records of the department of
14 children and families, solely for the purpose of administering state taxes, including
15 verifying a claim for a state tax refund or a refundable state tax credit. Any
16 information obtained by the department of revenue under this paragraph is subject
17 to the confidentiality provisions specified in s. 71.78.

18 SECTION 3. 49.83 of the statutes is amended to read:

19 49.83 Limitation on giving information. Except as provided under ss.
20 49.25 and 49.32 (9), (10), and (10m), no person may use or disclose information
21 concerning applicants and recipients of relief funded by a relief block grant, aid to
22 families with dependent children, Wisconsin Works under ss. 49.141 to 49.161, social
23 services, child and spousal support and establishment of paternity and medical
24 support liability services under s. 49.22, or supplemental payments under s. 49.77
25 for any purpose not connected with the administration of the programs, except that

1 the department of children and families may disclose, including by transmitting or
 2 granting access to electronic data, such information, including social security
 3 numbers, to the department of revenue for the sole purpose of administering state
 4 taxes, including verifying refundable individual income tax credits. Any person
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7 SECTION 4. 69.20 (3) (g) of the statutes is created to read:

8 69.20 (3) (g) The state or local registrar, upon request of the department of
 9 revenue, may disclose information on a birth or death certificate, including a social
 10 security number, to the department of revenue (for only) the following purposes (tr)
 11 related to administering state taxes:

- 12 1. Locating persons, or the assets of persons, who have failed to file tax returns,
- 13 have underreported their taxable income, or are delinquent taxpayers.
- 14 2. Identifying fraudulent tax returns.
- 15 3. Providing information for tax-related prosecutions.

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****NOTE: Attachment 1 provided with the request mentioned birth records and marriage licenses, but the statutory language mentioned birth and death certificates. I have limited this provision to disclosure from birth and death certificates. Please advise if there are any other vital records you want included.

✓ 16 SECTION 5. 343.50 (8) (c) 3. of the statutes is renumbered 343.50 (8) (c) 5.

17 SECTION 6. 343.50 (8) (c) 4. of the statutes is created to read:

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0317/P1dn

TJD...

eev

Date

To Emily Ley:

Please note that this version of the draft does not contain the portion of the request related to the Department of Workforce Development as the drafter of that subject, Jeff Kuesel, is awaiting further information in response to his questions.

Tamara J. Dodge
Legislative Attorney
Phone: (608) 267-7380
E-mail: tamara.dodge@legis.wisconsin.gov

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-0317/P1dn
TJD:eev;jm

October 31, 2012

To Emily Ley:

Please note that this version of the draft does not contain the portion of the request related to the Department of Workforce Development as the drafter of that subject, Jeff Kuesel, is awaiting further information in response to his questions.

Tamara J. Dodge
Legislative Attorney
Phone: (608) 267-7380
E-mail: tamara.dodge@legis.wisconsin.gov

Kuesel, Jeffery

From: Malaise, Gordon
Sent: Wednesday, October 10, 2012 5:37 PM
To: Gary, Aaron; Champagne, Rick; Kuesel, Jeffery
Cc: Hanaman, Cathlene
Subject: FW: Statutory Language Drafting Request
Attachments: 7034 State Agency Data Sharing to Address Fraud, Identity Theft.docx

Aaron, rick, and Jeff:

It looks like you guys are in on this one as well, i.e., ch. 343 ARG, ch. 40 RAC, and ch. 108 JTK.

Gordon

From: Hanaman, Cathlene
Sent: Wednesday, October 10, 2012 5:25 PM
To: Kahler, Pam; Malaise, Gordon; Dodge, Tamara
Subject: FW: Statutory Language Drafting Request

From: Emily.Ley@wisconsin.gov [mailto:Emily.Ley@wisconsin.gov]
Sent: Wednesday, October 03, 2012 5:21 PM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Frederick, Caitlin - DOA; Ley, Emily A - DOA
Subject: Statutory Language Drafting Request

Biennial Budget: 2013-15

Topic: State Agency Data Sharing to Address Fraud, Identity Theft, and Nonfiling/Underreporting

Tracking Code: BB0103

SBO Team: TLGED

SBO Analyst: Ley, Emily - DOA
Phone: 608-266-7597
E-mail: Emily.Ley@wisconsin.gov

Agency Acronym: DOR

Agency Number: 566

Priority: Medium

Intent: Identify and amend numerous statutes that apply to disclosure of various types of information by specific state agencies. See attached.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov

Kuesel, Jeffery

From: Dodge, Tamara
Sent: Thursday, October 11, 2012 7:33 AM
To: Champagne, Rick; Gary, Aaron; Kahler, Pam; Malaise, Gordon; Kuesel, Jeffery
Subject: RE: Statutory Language Drafting Request

And here's the LRB for this one -- 13-0317.

Tamara J. Dodge

Attorney
Wisconsin Legislative Reference Bureau
P.O. Box 2037
Madison, WI 53701-2037
(608) 267 - 7380
tamara.dodge@legis.wisconsin.gov

From: Champagne, Rick
Sent: Thursday, October 11, 2012 7:02 AM
To: Dodge, Tamara; Gary, Aaron; Kahler, Pam; Malaise, Gordon; Kuesel, Jeffery
Subject: RE: Statutory Language Drafting Request

Never mind my earlier email! Just saw this one. I will get you language, Tami.

From: Dodge, Tamara
Sent: Wednesday, October 10, 2012 6:17 PM
To: Gary, Aaron; Kahler, Pam; Malaise, Gordon; Champagne, Rick; Kuesel, Jeffery
Subject: RE: Statutory Language Drafting Request

I will enter this draft. (I have the vital records part in ch. 69). I'll let you know tomorrow (Thursday) morning what the LRB number is. At some point we can coordinate who it doing what.

Tami

Tamara J. Dodge

Attorney
Wisconsin Legislative Reference Bureau
P.O. Box 2037
Madison, WI 53701-2037
(608) 267 - 7380
tamara.dodge@legis.wisconsin.gov

From: Hanaman, Cathlene
Sent: Wednesday, October 10, 2012 5:25 PM
To: Kahler, Pam; Malaise, Gordon; Dodge, Tamara
Subject: FW: Statutory Language Drafting Request

From: Emily.Ley@wisconsin.gov [<mailto:Emily.Ley@wisconsin.gov>]
Sent: Wednesday, October 03, 2012 5:21 PM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Frederick, Caitlin - DOA; Ley, Emily A - DOA
Subject: Statutory Language Drafting Request

Biennial Budget: 2013-15

Topic: State Agency Data Sharing to Address Fraud, Identity Theft, and Nonfiling/Underreporting

Tracking Code: BB0103

SBO Team: TLGED

SBO Analyst: Ley, Emily - DOA

Phone: 608-266-7597

E-mail: Emily.Ley@wisconsin.gov

Agency Acronym: DOR

Agency Number: 566

Priority: Medium

Intent: Identify and amend numerous statutes that apply to disclosure of various types of information by specific state agencies. See attached.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov

Kuesel, Jeffery

From: Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>
Sent: Tuesday, October 16, 2012 2:15 PM
To: Kuesel, Jeffery
Subject: DOR's State Agency Data Sharing to Address Fraud, Identity Theft, and Non-filing/Underreporting
Attachments: 7034 State Agency Data Sharing to Address Fraud, Identity Theft.docx

Hi Jeff,

I wanted to touch base with you again on BB0103, State Agency Data Sharing to Address Fraud, Identity Theft, and Non-filing/Underreporting. DOR provided the attached file on the request and I'm not sure if I passed it on with the LAB request or not. DWD is the last item on the write-up and it appears that DOR wants an additional statute (in addition to s. 108.15(7)b) that explicitly provides DWD the authority to share data with DOR. They want to keep the "may" and not force DWD with "shall".

I have passed the request to the DWD analyst to look into the issue of federal oversight issues related to the request. I'll pass along any response I get back. In the meantime, please let me know if you have other questions.

Emily

Emily Ley
Executive Policy & Budget Analyst
Department of Administration
Division of Executive Budget and Finance
(608)-266-7597
emily.ley@wisconsin.gov

Kuesel, Jeffery

From: Ley, Emily A - DOA <Emily.Ley@wisconsin.gov>
Sent: Wednesday, October 24, 2012 2:26 PM
To: Kuesel, Jeffery
Subject: DOR's DWD DIN

Hi Jeff,

I called DOR again on the DWD data sharing request and got a little more information for you. It appears DOR is interested in changing the language to more strongly encourage DWD to share information. Here is DOR's position:

DOR and DWD are successfully cooperating and sharing data under Section 108.14 (7) (b) and ongoing agreement between our agencies. However, that was not the case in the recent past. DOR hopes this relationship continues, but we face uncertainty with the "may" language.

Section 108.14 (7) (b) is limited to Unemployment Insurance information. We also share information about Worker's Compensation as filed with DWD.

This DIN solidifies our existing practice and ensures its workability in terms of DWD sharing information with DOR to enable the administration of tax laws and credits.

I think we should move forward with drafting until we hear differently. Thanks for your help on this request.

Emily

Emily Ley
Executive Policy & Budget Analyst
Department of Administration
Division of Executive Budget and Finance
(608)-266-7597
emily.ley@wisconsin.gov

(b) The department may provide records made or maintained by the department in connection with the administration of this chapter to any government unit, corresponding unit in the government of another state or any unit of the federal government. No such unit may permit inspection or disclosure of any record provided to it by the department unless the department authorizes the inspection or disclosure.

Dodge, Tamara

From: Kuesel, Jeffery
Sent: Wednesday, January 16, 2013 8:41 AM
To: Dodge, Tamara; Kahler, Pam; Malaise, Gordon
Subject: FW: DIN 7034 Expand agency data sharing
Attachments: Expand Agency Data Sharing.pdf

From: Ley, Emily A - DOA [mailto:Emily.Ley@wisconsin.gov]
Sent: Tuesday, January 15, 2013 6:41 PM
To: Kuesel, Jeffery
Subject: FW: DIN 7034 Expand agency data sharing

Hi Jeff,

I sent your draft to DOR for input on your notes and here is their response. Let me know if this helps to clear things up or if you have additional questions.

Emily

From: Wagner, Michael W - DOR
Sent: Tuesday, January 15, 2013 6:34 PM
To: Ley, Emily A - DOA
Subject: FW: DIN 7034 Expand agency data sharing

Emily,

I received both feedback related to the drafter's questions and also a couple of items related to statewide debt collection that staff realized should have also been covered in this draft. I'll split the response in two, with the other issues identified first and then responses to the notes afterward.

Part 1: Suggested Changes.

Page 3, Line 4: "(a) To administer the payment of state taxes and other debt collected by the department of revenue.

Page 3, Line 6: "...their taxable income, or who are delinquent taxpayers debtors.

✓ Page 4, Line 4: "taxes and collection of debts owed to the department of revenue, including verifying..."

✓ Page 4, Line 11: "related to administering state taxes and collection of debts referred to the department of revenue:"

✓ Page 4, Line 13: "have underreported their taxable income, or are delinquent taxpayers debtors."

Part 2: Responses to Drafter's Notes:

✓
****NOTE: Why isn't verifying refundable credits considered part of administering state taxes? Isn't ensuring program integrity part of administration? Do you really even need this addition to the statute?

Note #1: I think we can leave as is, although if the phrase in question were removed it would probably still meet our needs. We wanted to add the phrase "*including verifying individual income tax credits*" because the earned income credit and homestead credit are refundable and often allowed to claimants who have no tax liability to begin with. We want it to be clear that "state tax administration" includes credits claimed by persons who are not paying state taxes.

Note ↓

Along those lines, in secs. 40.07(1r)(c) and 69.20(3)(g)2., we should probably amend the language to say "to identify fraudulent tax returns and credit claims."

****NOTE: Do you want me to add DHS to the section above as an agency that may disclose information to DOR, since DHS administers relief block grants, the program under s. 49.77, and probably "social services"? I suspect that drafting oversights over the years have resulted in giving DCF the sole authority to disclose information under this section, including information about programs administered by DHS.

✓ **Note #2:** Yes, please add DHS to Section 3 of the bill, which amends sec. 49.83, Stats. I know that both DCF and DHS are involved in administering those programs and in order to make sure our bases are covered, we should allow both agencies to share that information with DOR.

✓ ****NOTE: The language in the request stated that there was a sole purpose for disclosure of information from vital records, but the language seemed to contain multiple purposes. Please review this language to confirm I interpreted the request as intended.

Note #3: The language "only for the following purposes related to administering state taxes" reflects what we are looking for. Since there are multiple purposes listed, I agree this language is better than saying "for the sole purpose of..."

✓ ****NOTE: Attachment 1 provided with the request mentioned birth records and marriage licenses, but the statutory language mentioned birth and death certificates. I have limited this provision to disclosure from birth and death certificates. Please advise if there are any other vital records you want included.

Note #4: An earlier proposal omitted some of the vital records we wanted because we hadn't learned enough yet about what DHS had. We would supporting changing the language to "...may disclose information on a birth, or death certificate, marriage, divorce, or other vital record, including a social security number..." ? I'm not sure if the word "certificate" applies to all of these, so I'm using "record" as a more generic term.

Please let me know if you have any questions.

Thanks,

Mike Wagner
Legislative Advisor, Dept. of Revenue
(608) 266-7817

From: Ley, Emily A - DOA
Sent: Monday, January 14, 2013 5:55 PM
To: Wagner, Michael W - DOR
Subject: DIN 7034 Expand agency data sharing

Hi Mike,

Will you take a look at the attached draft of DIN 7034 on Expanding agency data sharing? The drafter has included several notes and I'd like your input on the comments and provide us with feedback. I have already noted that the drafter did not include language on data sharing with DWD and noted that we should add marriage and divorce records to the DHS section.

Thank you,
Emily

Emily Ley
Executive Policy & Budget Analyst
Department of Administration
Division of Executive Budget and Finance

(608)-266-7597
emily.ley@wisconsin.gov

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State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0317/P1

TJD/PJK/GMM:eev:jm

Stays

RMNR

DOA:.....Ley, BB0103 – State agency data sharing to address fraud, identity theft and nonfiling or underreporting

FOR 2013-2015 BUDGET – NOT READY FOR INTRODUCTION

D-note

and collecting debts owed to DOR

don't gen

1 AN ACT relating to: the budget.

Insert JTK-analysis

Analysis by the Legislative Reference Bureau
HEALTH AND HUMAN SERVICES

CHILDREN

Subject to certain exceptions, current law requires a social services agency, including DCF, to maintain the confidentiality of records kept or information received about an individual who is or was in the care or legal custody of the agency. The bill permits DCF to provide to DOR, upon request, information concerning a recipient of kinship care payments or aid granted on behalf of a child placed in a foster home, group home, subsidized guardianship home, or residential care center for children and youth, including information contained in the electronic records of DCF, solely for the purpose of administering state taxes, including verifying a claim for a state tax refund or a refundable state tax credit.

PUBLIC ASSISTANCE

and DHS

Current law prohibits any person from disclosing information about individuals applying for or receiving benefits under a number of public assistance programs for any purpose not related to administration of the programs. DCF is authorized, however, to disclose such information to DOR for the sole purpose of administering state taxes. The bill provides that DCF may disclose such information by transmitting or allowing access to electronic data, and that administering state taxes includes verifying refundable income tax credits.

and that the information may also be disclosed for the purpose of collecting debts owed to DOR

OTHER HEALTH AND HUMAN SERVICES

Under current law, disclosure of information from vital records, such as birth and death certificates, is limited. Among other specified, limited disclosures, the state or local registrar may disclose certain information from a vital record to a federal, state, or local agency, upon request by that agency, for use in the conduct of the agency's duties and may disclose a social security number on a vital record to DCF or a county child support agency for purposes related to child and spousal support and establishment of paternity. This bill allows the state or local registrar to disclose information on a birth or death certificate, including a social security number, to DOR, upon DOR's request, for the following purposes related to administering state taxes: locating persons, or assets of persons, who have failed to file tax returns, have underreported their taxable income, or are delinquent taxpayers; identifying fraudulent tax returns; and providing information for tax-related prosecutions.

vital records

debtors

and collection of debts referred to DOR

RETIREMENT AND GROUP INSURANCE

This bill permits DOR to disclose information concerning the payment of annuities under the Wisconsin Retirement System (WRS) to DOR for the purposes of administering the payment of state taxes; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent taxpayers; identifying fraudulent tax returns; or providing information for tax-related prosecutions.

and credit claims

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Current law requires DOT to issue an identification card, upon proper application, to a resident who does not hold a valid driver's license containing a photograph. DOT must maintain current records for identification cards in the same manner as required for driver's licenses. DOT may not disclose any identification card record or other information about an identification card applicant except in limited circumstances, including to a court, district attorney, or law enforcement agency.

and credit claims

Current law also requires DOT to provide to DOR a person's name, address, license number, and social security number, as stated on the person's application for a driver's license or identification card, for DOR's use in administering state taxes and collecting debt.

This bill specifies that DOT may, upon request, provide to DOR identification card information maintained by DOT, including social security numbers. DOR is subject to certain confidentiality requirements with respect to this information.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1

SECTION 1. 40.07 (1r) of the statutes is created to read:

debtors
and other debts collected by collecting debts owed to DOR

1 40.07 (1r) Upon request of the department of revenue, the department may
2 disclose information, including social security numbers, to the department of
3 revenue concerning an annuity only for the following purposes:

4 (a) To ^{aid in} administer the payment of state taxes. ~~and other debt collected by the department of revenue~~
5 (am) To collect debts owed to the department of revenue.

6 (b) To locate participants, or the assets of participants, who have failed to file
tax returns, underreported their taxable income, or who are delinquent taxpayers.

7 (c) To identify fraudulent tax returns. ~~and credit claims~~ ~~debtors~~

8 (d) To provide information for tax-related prosecutions.

9 SECTION 2. 48.78 (2) (k) of the statutes is created to read: of children and families

10 48.78 (2) (k) Paragraph (a) does not prohibit the department from providing
11 to the department of revenue, upon request, information concerning a recipient of
12 payments under s. 48.57 (3m) or (3n) or aid under s. 48.645, including information
13 contained in the electronic records of the department of children and families, solely
14 for the purpose^s of administering state taxes, including verifying a claim for a state
15 tax refund or a refundable state tax credit. Any information obtained by the

16 department of revenue under this paragraph is subject to the confidentiality
17 provisions specified in s. 71.78. and collecting debts owed to the department of revenue

18 SECTION 3. 49.83 of the statutes is amended to read:

19 **49.83 Limitation on giving information.** Except as provided under ss.
20 49.25 and 49.32 (9), (10), and (10m), no person may use or disclose information
21 concerning applicants and recipients of relief funded by a relief block grant, aid to
22 families with dependent children, Wisconsin Works under ss. 49.141 to 49.161, social
23 services, child and spousal support and establishment of paternity and medical
24 support liability services under s. 49.22, or supplemental payments under s. 49.77
25 for any purpose not connected with the administration of the programs, except that

keep comma
and collecting debts owed to
the department of revenue

departments

and health services

1 the ~~department~~ of children and families may disclose, including by transmitting or
 2 granting access to electronic data, such information, including social security
 3 numbers, to the department of revenue for the sole ~~purpose~~ ^{purposes} of administering state
 4 taxes, including verifying refundable individual income tax credits. Any person
 5 violating this section may be fined not less than \$25 nor more than \$500 or
 6 imprisoned in the county jail not less than 10 days nor more than one year or both.

****NOTE: Why isn't verifying refundable credits considered part of administering state taxes? Isn't ensuring program integrity part of administration? Do you really even need this addition to the statute?

****NOTE: Do you want me to add DHS to the section above as an agency that may disclose information to DOR, since DHS administers relief block grants, the program under s. 49.77, and probably "social services"? I suspect that drafting oversights over the years have resulted in giving DCF the sole authority to disclose information under this section, including information about programs administered by DHS.

SECTION 4. 69.20 (3) (g) of the statutes is created to read:

vital records

69.20 (3) (g) The state or local registrar, upon request of the department of revenue, may disclose information on a birth or death certificate, including a social security number, to the department of revenue only for the following purposes related to administering state taxes:

and collection of debts referred to the department of revenue

1. Locating persons, or the assets of persons, who have failed to file tax returns, have underreported their taxable income, or are delinquent ~~taxpayers~~ ^{debtors}

2. Identifying fraudulent tax returns: ^{and credit claims}

3. Providing information for tax-related prosecutions.

****NOTE: The language in the request stated that there was a sole purpose for disclosure of information from vital records, but the language seemed to contain multiple purposes. Please review this language to confirm I interpreted the request as intended.

****NOTE: Attachment 1 provided with the request mentioned birth records and marriage licenses, but the statutory language mentioned birth and death certificates. I have limited this provision to disclosure from birth and death certificates. Please advise if there are any other vital records you want included.

Insert JJK-1

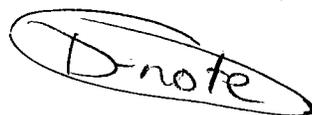
SECTION 5. 343.50 (8) (c) 3. of the statutes is renumbered 343.50 (8) (c) 5.

SECTION 6. 343.50 (8) (c) 4. of the statutes is created to read:

1 343.50 (8) (c) 4. Notwithstanding par. (b) and s. 343.14 (2j), the department
2 may, upon request, provide to the department of revenue any applicant information,
3 including social security numbers, maintained by the department of transportation
4 and identified in s. 343.14 (2), including providing electronic access to the
5 information. Any information obtained by the department of revenue under this
6 subdivision is subject to the confidentiality provisions of s. 71.78.

7

(END)

A handwritten note in blue ink that says "D note" is circled with a blue oval.

EMPLOYMENT

Currently, DWD may provide records made or maintained in connection with the administration of the unemployment insurance (UI) program to any government unit. No such unit may permit inspection or disclosure of any record provided to it by DWD unless DWD permits.

This bill provides that DWD may provide certain specific information to DOR for certain specific purposes, subject to the same limitation upon inspection or disclosure of the information that is currently provided. Since the bill authorizes an activity that is permitted under current law, this provision has no legal effect.

Insert
JTK-
Analysis

Insert JTK-1

1 SECTION 1. 108.14 (7) (bm) of the statutes is created to read:

2 108.14 (7) (bm) Upon request of the department of revenue, the department
3 may provide information, including social security numbers, concerning claimants
4 to the department of revenue for the purpose of administering state taxes,
5 identifying fraudulent tax returns, providing information for tax-related
6 prosecutions, or locating persons or the assets of persons who have failed to file tax
7 returns, who have underreported their taxable income, or who are delinquent
8 ~~taxpayers~~ ^{collectors}. The department of revenue shall adhere to the limitation on inspection
9 and disclosure of the information under par. (b).

10 SECTION 2. 108.24 (4) of the statutes is amended to read:

11 108.24 (4) Any person who, without authorization of the department, permits
12 inspection or disclosure of any record relating to the administration of this chapter
13 that is provided to the person by the department under s. 108.14 (7) (a) or (b), or (bm)
14 and any person who, without authorization of the commission, permits inspection or
15 disclosure of any record relating to the administration of this chapter that is provided
16 to the person by the commission under s. 108.14 (7) (a), shall be fined not less than
17 \$25 nor more than \$500 or may be imprisoned in the county jail for not more than

- 1 one year or both. Each such unauthorized inspection or disclosure constitutes a
- 2 separate offense.

History: 1973 c. 247; 1983 a. 8; 1991 a. 89; 2005 a. 86; 2009 a. 28, 287, 288; 2011 a. 236.

(end insert JTK-1)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0317/1dn

JTK...../.....

JTK
eev

date

Emily Ley:

1. Although the submitted instructions for this draft do not contain any limitation on the redisclosure of information provided to DOR by DWD, the draft prohibits redisclosure because we assumed that the sole motivation for the request is ensuring access by DOR and DOR has no intent to redisclose the information provided to it without DWD's permission.

2. As noted in the analysis, this draft specifically authorizes an activity that is already authorized under current law and therefore has no legal effect.

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-0317/1dn
JTK:eev:jf

January 23, 2013

Emily Ley:

1. Although the submitted instructions for this draft do not contain any limitation on the redisclosure of information provided to DOR by DWD, the draft prohibits redisclosure because we assumed that the sole motivation for the request is ensuring access by DOR and DOR has no intent to redisclose the information provided to it without DWD's permission.
2. As noted in the analysis, this draft specifically authorizes an activity that is already authorized under current law and therefore has no legal effect.

Jeffery T. Kuesel
Managing Attorney
Phone: (608) 266-6778



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-0317/1
TJD/PJK/GMM:eev:jf

DOA:.....Ley, BB0103 – State agency data sharing to address fraud, identity theft and nonfiling or underreporting

FOR 2013-2015 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the budget.

Analysis by the Legislative Reference Bureau

EMPLOYMENT

Currently, DWD may provide records made or maintained in connection with the administration of the unemployment insurance (UI) program to any government unit. No such unit may permit inspection or disclosure of any record provided to it by DWD unless DWD permits.

This bill provides that DWD may provide certain specific information to DOR for certain specific purposes, subject to the same limitation upon inspection or disclosure of the information that is currently provided. Since the bill authorizes an activity that is permitted under current law, this provision has no legal effect.

HEALTH AND HUMAN SERVICES

CHILDREN

Subject to certain exceptions, current law requires a social services agency, including DCF, to maintain the confidentiality of records kept or information received about an individual who is or was in the care or legal custody of the agency. The bill permits DCF to provide to DOR, upon request, information concerning a recipient of kinship care payments or aid granted on behalf of a child placed in a foster home, group home, subsidized guardianship home, or residential care center for children and youth, including information contained in the electronic records of

DCF, solely for the purposes of administering state taxes, including verifying a claim for a state tax refund or a refundable state tax credit, and collecting debts owed to DOR.

PUBLIC ASSISTANCE

Current law prohibits any person from disclosing information about individuals applying for or receiving benefits under a number of public assistance programs for any purpose not related to administration of the programs. DCF is authorized, however, to disclose such information to DOR for the sole purpose of administering state taxes. The bill provides that DCF and DHS may disclose such information by transmitting or allowing access to electronic data, that administering state taxes includes verifying refundable income tax credits, and that the information may also be disclosed for the purpose of collecting debts owed to DOR.

OTHER HEALTH AND HUMAN SERVICES

Under current law, disclosure of information from vital records is limited. Among other specified, limited disclosures, the state or local registrar may disclose certain information from a vital record to a federal, state, or local agency, upon request by that agency, for use in the conduct of the agency's duties and may disclose a social security number on a vital record to DCF or a county child support agency for purposes related to child and spousal support and establishment of paternity. This bill allows the state or local registrar to disclose information on vital records, including a social security number, to DOR, upon DOR's request, for the following purposes related to administering state taxes and collection of debts referred to DOR: locating persons, or assets of persons, who have failed to file tax returns, have underreported their taxable income, or are delinquent debtors; identifying fraudulent tax returns and credit claims; and providing information for tax-related prosecutions.

RETIREMENT AND GROUP INSURANCE

This bill permits DETF to disclose information concerning the payment of annuities under the Wisconsin Retirement System (WRS) to DOR for the purposes of administering the payment of state taxes; collecting debts owed to DOR; locating WRS participants, or the assets of WRS participants, who have failed to file tax returns, underreported their taxable income, or who are delinquent debtors; identifying fraudulent tax returns and credit claims; or providing information for tax-related prosecutions.

TRANSPORTATION

DRIVERS AND MOTOR VEHICLES

Current law requires DOT to issue an identification card, upon proper application, to a resident who does not hold a valid driver's license containing a photograph. DOT must maintain current records for identification cards in the same manner as required for driver's licenses. DOT may not disclose any identification card record or other information about an identification card applicant except in limited circumstances, including to a court, district attorney, or law enforcement agency.

Current law also requires DOT to provide to DOR a person's name, address, license number, and social security number, as stated on the person's application for a driver's license or identification card, for DOR's use in administering state taxes and collecting debt.

This bill specifies that DOT may, upon request, provide to DOR identification card information maintained by DOT, including social security numbers. DOR is subject to certain confidentiality requirements with respect to this information.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 40.07 (1r) of the statutes is created to read:

2 40.07 (1r) Upon request of the department of revenue, the department may
3 disclose information, including social security numbers, to the department of
4 revenue concerning an annuity only for the following purposes:

5 (a) To administer the payment of state taxes.

6 (am) To aid in collecting debts owed to the department of revenue.

7 (b) To locate participants, or the assets of participants, who have failed to file
8 tax returns, underreported their taxable income, or who are delinquent debtors.

9 (c) To identify fraudulent tax returns and credit claims.

10 (d) To provide information for tax-related prosecutions.

11 **SECTION 2.** 48.78 (2) (k) of the statutes is created to read:

12 48.78 (2) (k) Paragraph (a) does not prohibit the department of children and
13 families from providing to the department of revenue, upon request, information
14 concerning a recipient of payments under s. 48.57 (3m) or (3n) or aid under s. 48.645,
15 including information contained in the electronic records of the department of
16 children and families, solely for the purposes of administering state taxes, including
17 verifying a claim for a state tax refund or a refundable state tax credit, and collecting

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1 debts owed to the department of revenue. Any information obtained by the
2 department of revenue under this paragraph is subject to the confidentiality
3 provisions specified in s. 71.78.

4 **SECTION 3.** 49.83 of the statutes is amended to read:

5 **49.83 Limitation on giving information.** Except as provided under ss.
6 49.25 and 49.32 (9), (10), and (10m), no person may use or disclose information
7 concerning applicants and recipients of relief funded by a relief block grant, aid to
8 families with dependent children, Wisconsin Works under ss. 49.141 to 49.161, social
9 services, child and spousal support and establishment of paternity and medical
10 support liability services under s. 49.22, or supplemental payments under s. 49.77
11 for any purpose not connected with the administration of the programs, except that
12 the ~~department~~ departments of children and families and health services may
13 disclose, including by transmitting or granting access to electronic data, such
14 information, including social security numbers, to the department of revenue for the
15 sole purpose purposes of administering state taxes, including verifying refundable
16 individual income tax credits, and collecting debts owed to the department of
17 revenue. Any person violating this section may be fined not less than \$25 nor more
18 than \$500 or imprisoned in the county jail not less than 10 days nor more than one
19 year or both.

20 **SECTION 4.** 69.20 (3) (g) of the statutes is created to read:

21 69.20 (3) (g) The state or local registrar, upon request of the department of
22 revenue, may disclose information on vital records, including a social security
23 number, to the department of revenue only for the following purposes related to
24 administering state taxes and collection of debts referred to the department of
25 revenue:

1 1. Locating persons, or the assets of persons, who have failed to file tax returns,
2 have underreported their taxable income, or are delinquent debtors.

3 2. Identifying fraudulent tax returns and credit claims.

4 3. Providing information for tax-related prosecutions.

5 **SECTION 5.** 108.14 (7) (bm) of the statutes is created to read:

6 108.14 (7) (bm) Upon request of the department of revenue, the department
7 may provide information, including social security numbers, concerning claimants
8 to the department of revenue for the purpose of administering state taxes,
9 identifying fraudulent tax returns, providing information for tax-related
10 prosecutions, or locating persons or the assets of persons who have failed to file tax
11 returns, who have underreported their taxable income, or who are delinquent
12 debtors. The department of revenue shall adhere to the limitation on inspection and
13 disclosure of the information under par. (b).

14 **SECTION 6.** 108.24 (4) of the statutes is amended to read:

15 108.24 (4) Any person who, without authorization of the department, permits
16 inspection or disclosure of any record relating to the administration of this chapter
17 that is provided to the person by the department under s. 108.14 (7) (a) ~~or~~ (b), or (bm)
18 and any person who, without authorization of the commission, permits inspection or
19 disclosure of any record relating to the administration of this chapter that is provided
20 to the person by the commission under s. 108.14 (7) (a), shall be fined not less than
21 \$25 nor more than \$500 or may be imprisoned in the county jail for not more than
22 one year or both. Each such unauthorized inspection or disclosure constitutes a
23 separate offense.

24 **SECTION 7.** 343.50 (8) (c) 3. of the statutes is renumbered 343.50 (8) (c) 5.

25 **SECTION 8.** 343.50 (8) (c) 4. of the statutes is created to read:

