

2003 DRAFTING REQUEST

Bill

Received: 01/17/2003

Received By: jkreye

Wanted: As time permits

Identical to LRB:

For: Peggy Krusick (608) 266-1733

By/Representing: christian

This file may be shown to any legislator: NO

Drafter: jkreye

May Contact:

Addl. Drafters: agary phurley

Subject: Tax - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Rep.Krusick@legis.state.wi.us

Carbon copy (CC:) to: joseph.kreye@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Disclosing social security numbers to Revenue

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>
/?							State
/1	jkreye 01/28/2003	wjackson 01/30/2003	rschluet 01/31/2003		amentkow 01/31/2003	sbasford 08/26/2003 sbasford 08/26/2003	

Vers.    Drafted    Reviewed    Typed    Proofed    Submitted    Jacketed    Required

FE Sent For:

At  
intro.

<END>

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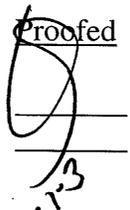
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**Instructions:**

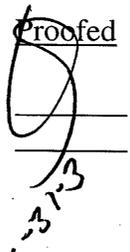
See Attached

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<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
1/?	jkreye	1/17/03					

FE Sent For:

  
1-31-03  
<END>

1-17-07

Peggy Kussick — allow DOT to disclose

SS#s to DOR

Christina  
will email instructions from DOR

## Kreye, Joseph

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**From:** Moran, Christian  
**Sent:** Friday, January 17, 2003 3:07 PM  
**To:** Kreye, Joseph  
**Subject:** Bill Drafting Request

Joe,

Per our conversation, attached is the drafting request for a bill that would give DOT the authority to disclose certain data to DOR for the purposes of enforcing state tax laws. This proposal is included in DOR's budget request. They said it would be OK to introduce this as separate legislation.

Also attached is a copy of a letter we sent to DOT and DOR last summer that explains our interest in this issue.

The question I have is whether the attached proposal does what we want it to do with respect to the tax refund interception program (see letter). And if there are other consequences of this legislation that we should be aware of.

Thanks for your help.

Christian  
Peggy Krusick's office  
6-1733



Bill Drafting  
Request (Krusick... tercept) 6-24-02.do



DOR (Tax

**Statutory Language Request**  
Wisconsin Department of Revenue

**TITLE: GRANT THE DEPARTMENT OF TRANSPORTATION THE AUTHORITY TO  
DISCLOSE CERTAIN DATA TO THE DEPARTMENT OF REVENUE FOR THE  
PURPOSE OF ENFORCING WISCONSIN TAX LAWS**

**DESCRIPTION OF CURRENT LAW AND PROBLEM**

Section 342.06 (1)(eg) and Section 343.14(2j)(b) Wis. Stats. (1999-2000) provide that the department of transportation may not disclose a social security number obtained from an applicant under those sections to any person except to the department of workforce development for the sole purpose of administering s. 49.22.

Based on current law, the department of transportation is not permitted to disclose to the department of revenue pertinent information (i.e. social security numbers) required to process and audit the tax reported, paid or due with the motor vehicle registration application. Because of the number of residents with similar names, the department of revenue may not be able to correctly identify the taxpayer registering a vehicle with the department of transportation without access to a taxpayer's personal data. If that person is not correctly identified, credit for taxes paid to the department of transportation may be applied to the wrong tax account and the wrong person may be contacted if an audit is initiated for that transaction. In income tax non-filer cases, the department of revenue uses certified driver's license applications to help prove residency because one of the statements on the application pertains to the county of residence. The social security number correctly identifies the individual and the signature is an admission of Wisconsin residency. The department of revenue needs to have social security numbers and signatures as part of the proof of Wisconsin residency to effectively enforce Wisconsin tax laws.

In order to achieve an acceptable rate of accuracy when posting taxes, processing offsets and initiating audits of tax transactions, the department of revenue must have the authority to obtain the personal data collected by the department of transportation when an individual obtains a drivers license or registers a vehicle (motor vehicle, trailer, tractor, aircraft and etc).

**RECOMMENDATION FOR ACTION**

Amend sec. 343.027 to read:

“Confidentiality of signatures. Any signature collected under this chapter may be maintained by the department and shall be kept confidential. The department may release a signature or a facsimile of a signature only to the person to whom the signature relates or to the department of revenue for the sole purpose of administering Wisconsin tax laws.

Amend sec 342.06 (1), Wis. Stats (1999-2000) to read:

“An application for a certificate of title shall be made to the department upon a form or in an automated format prescribed by it and shall be accompanied by the required fee and taxes. Information obtained by the department of transportation under this subsection shall be shared with the department of revenue for the purpose of administering Wisconsin tax laws. Each application for certificate of title shall include the following information:”

Amend sec 342.06 (1)(eg), Wis. Stats (1999-2000) to read:

“Except as provided in par. (eh), if the applicant is an individual, the social security number of the applicant. The department of transportation may not disclose a social security number obtained under this paragraph to any person except the department of workforce development for the sole purpose of administering s. 49.22 and the department of revenue for the sole purpose of administering Wisconsin tax laws.”

Amend sec 343.14 (1), Wis. Stats (1999-2000) to read:

“Every application to the department for a license or identification card or for renewal thereof shall be made upon the appropriate form furnished by the department and shall be accompanied by the required fee. Information obtained by the department of transportation under this subsection shall be shared with the department of revenue for the sole purpose of administering Wisconsin tax laws.

Amend sec 343.14 (2j)(b), Wis. Stats (1999-2000) to read:

“Except as otherwise required to administer and enforce this chapter, the department of transportation may not disclose a social security number obtained from an applicant for a license under sub. (2)(bm) to any person except to the department of workforce development for the sole purpose of administering s. 49.22 and to the department of revenue for the sole purpose of administering Wisconsin tax laws.”

Amend sec. 71.935(2), Wis. Stats. (1999-2000) to read:

“A municipality or county may certify to the department any debt owed to it. Not later than 5 days after certification, the municipality or county shall notify the debtor in writing of its certification of the debt to the department, of the basis of the certification and of the debtor’s right to appeal, and, in the case of parking citation, of the debtor’s right to contest the citation. At the time of certification, the municipality or county shall furnish to the department the name and social security number or driver’s license number of each individual debtor and the name and federal employer identification number of each other debtor.

#### **FISCAL/ADMINISTRATIVE IMPACT**

This will assist the department of revenue in posting taxes paid directly to the department of transportation to the correct tax account via the Integrated Tax System. It will further provide for more accurate initial contact of taxpayers selected for audits associated with these and other transactions. This will also increase efficiency for the department of revenue in conducting investigations of non-filers, increase efficiency for the department of revenue in determining residency of taxpayers and increase compliance with Wisconsin tax laws.

#### **EFFECTIVE DATE AND/OR INITIAL APPLICABILITY**

Upon publication.

June 26, 2002

The Honorable Richard G. Chandler  
Department of Revenue  
2135 Rimrock Road  
P.O. Box 8933 Mail Stop 624-A  
Madison, WI 53708-8933

The Honorable Thomas Carlsen, P.E.  
Department of Transportation  
4802 Sheboygan Avenue, Room 120B  
P.O. Box 7910  
Madison, WI 53707-7910

Dear Secretaries Chandler and Carlsen:

I am writing to respectfully request that your respective agencies team up to make the Tax Refund Interception Program (TRIP) a more effective and productive program for participating local governments.

As you know, TRIP allows counties and municipalities to work in tandem with the Department of Revenue to intercept unpaid fines and forfeitures from income tax refund checks. It's clear the program is a successful debt collection tool for the local governments that do participate, with almost \$4 million in municipal debts having been collected since TRIP started seven years ago. However, the program can be improved to allow local governments to collect even greater amounts of outstanding debt.

It's my understanding that the DOR needs a taxpayer's social security number to identify him or her in its database. Milwaukee County officials say this requirement limits how much money they can collect through TRIP, in that most of their law enforcement officers do not (and are not supposed to) get an offender's social security number. As a result, the County must pay costly private collection agencies to try and get this personal information.

Secs. Chandler and Carlsen  
June 26, 2002  
Page 2

It is here that the DOT can help save local taxpayer dollars by providing DOR with its database of registered drivers' names, license numbers and social security numbers. Local governments would then only have to submit an unpaid ticket to DOR for tax refund interception, thereby increasing the amount of debt that could be collected. It seems concerns about privacy would be alleviated if this process was completely automated and done electronically, with social security numbers only being shared between two agency computers that already have this information on file.

In addition to this request for inter-department cooperation on TRIP, I would like to encourage the DOR to step up its efforts in getting local governments to participate in the program. As reported last week in the Milwaukee Journal Sentinel, only 51 out of the state's 1,900 local governments are taking advantage of TRIP. Such dramatic under-utilization of a proven debt collector is truly unfortunate. Surely more can be done to make local governments aware of DOR's ability to help them collect outstanding fines and forfeitures (especially if social security numbers are no longer required). This money doesn't belong in the pockets of scofflaws. It's needed to cut taxes and pay for necessary local services.

Having authored the 1995 law that created TRIP, I have a genuine desire in seeing the program reach its full potential. I would appreciate hearing your thoughts on this issue, and would like to know how your departments can work together to make TRIP the best, most productive program it can be for local governments and the taxpayers they serve.

Thanks for your consideration. Please feel free to contact me if you have any questions.

Sincerely,

Peggy Krusick  
State Representative



State of Wisconsin  
2003 - 2004 LEGISLATURE

LRB-1600/1

JK:/:....  
Wlj

2003 BILL

in 1-28-03

gen

1 AN ACT ...; relating to: disclosing information obtained by the department of  
2 transportation to the department of revenue.

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*Analysis by the Legislative Reference Bureau*

Under current law, the department of transportation (DOT) obtains social security numbers from driver's license and vehicle title applications and may not disclose such social security numbers except to the department of workforce development (DWD) for the purpose of administering the laws related to child and spousal support. In addition, DOT may only disclose a signature that it obtains from a driver's license application to the person to whom the signature relates.

Under the bill, DOT may disclose any information that it obtains from driver's license and vehicle title applications to the department of revenue for the purpose of administering state taxes, including social security numbers and signatures.

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

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

3 SECTION 1. 71.935 (2)<sup>√</sup> of the statutes is amended to read:  
4 71.935 (2) A municipality or county may certify to the department any debt  
5 owed to it. Not later than 5 days after certification, the municipality or county shall

**BILL****SECTION 1**

1 notify the debtor in writing of its certification of the debt to the department, of the  
2 basis of the certification and of the debtor's right to appeal and, in the case of parking  
3 citations, of the debtor's right to contest the citation. At the time of certification, the  
4 municipality or county shall furnish to the department the name and social security  
5 number or operator's license number of each individual debtor and the name and  
6 federal employer identification number of each other debtor.

7 History: 1995 a. 27; 1997 a. 27.

7 **SECTION 2.** 85.103 (6) of the statutes is amended to read:

8 85.103 (6) The department may disclose the personal identifier of any person  
9 who has made a designation under sub. (2) or (3) if the department discloses the  
10 personal identifier under s. 341.17 (9), 342.06, 343.027, 343.14, 343.234, 343.235,  
11 343.24 (3) and (4), or 343.245 (3m).

12 History: 1999 a. 88; 2001 a. 93.

12 **SECTION 3.** 342.06 (1) (intro.) of the statutes is amended to read:

13 342.06 (1) (intro.) An application for a certificate of title shall be made to the  
14 department upon a form or in an automated format prescribed by it and shall be  
15 accompanied by the required fee and any applicable taxes. Information obtained by  
16 the department under this subsection shall be provided to the department of revenue  
17 for the sole purpose of administering state taxes. Each application for certificate of  
18 title shall include the following information:

19 History: 1973 c. 218; 1975 c. 121, 286; 1977 c. 29 s. 1654 (7) (a); 1987 a. 110, 349; 1991 a. 39, 269, 309, 316; 1993 a. 63, 159, 165, 490; 1997 a. 27, 191, 283; 1999 a. 9,  
80, 88; 2001 a. 109.

19 **SECTION 4.** 342.06 (1) (eg) of the statutes is amended to read:

20 342.06 (1) (eg) Except as provided in par. (eh), if the applicant is an individual,  
21 the social security number of the applicant. The department of transportation may  
22 not disclose a social security number obtained under this paragraph to any person  
23 except to the department of workforce development for the sole purpose of

## BILL

1 administering s. 49.22 and to the department of revenue for the sole purpose of  
2 administering state taxes.

History: 1973 c. 218; 1975 c. 121, 286; 1977 c. 29 s. 1654 (7) (a); 1987 a. 110, 349; 1991 a. 39, 269, 309, 316; 1993 a. 63, 159, 165, 490; 1997 a. 27, 191, 283; 1999 a. 9, 80, 88; 2001 a. 109.

3 SECTION 5. 343.027 of the statutes is amended to read:

4 **343.027 Confidentiality of signatures.** Any signature collected under this  
5 chapter may be maintained by the department and shall be kept confidential. ~~The,~~  
6 except that the department may release a signature or a facsimile of a signature only  
7 to the department of revenue for the sole purpose of administering state taxes or to  
8 the person to whom the signature relates.

History: 1995 a. 113.

9 SECTION 6. 343.14 (1) of the statutes is amended to read:

10 343.14 (1) Every application to the department for a license or identification  
11 card or for renewal thereof shall be made upon the appropriate form furnished by the  
12 department and shall be accompanied by the required fee. Information obtained by  
13 the department under this subsection shall be provided to the department of revenue  
14 for the sole purpose of administering state taxes.

History: 1977 c. 29 s. 1654 (7) (a), (e); 1977 c. 124, 360, 447; 1979 c. 306; 1981 c. 20 s. 1848r; 1985 a. 227; 1987 a. 27; 1987 a. 403 s. 256; 1989 a. 105, 294, 298, 359; 1991 a. 269; 1993 a. 363; 1995 a. 113; 1997 a. 27, 119, 191; 1999 a. 9, 80, 88; 2001 a. 93.

15 SECTION 7. 343.14 (2j) (b) of the statutes is amended to read:

16 343.14 (2j) (b) Except as otherwise required to administer and enforce this  
17 chapter, the department of transportation may not disclose a social security number  
18 obtained from an applicant for a license under sub. (2) (bm) to any person except to  
19 the department of workforce development for the sole purpose of administering s.  
20 49.22 or to the department of revenue for the sole purpose of administering state  
21 taxes.

History: 1977 c. 29 s. 1654 (7) (a), (e); 1977 c. 124, 360, 447; 1979 c. 306; 1981 c. 20 s. 1848r; 1985 a. 227; 1987 a. 27; 1987 a. 403 s. 256; 1989 a. 105, 294, 298, 359; 1991 a. 269; 1993 a. 363; 1995 a. 113; 1997 a. 27, 119, 191; 1999 a. 9, 80, 88; 2001 a. 93.

22

(END)

**Basford, Sarah**

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**From:** Moran, Christian  
**Sent:** Tuesday, August 26, 2003 2:13 PM  
**To:** LRB.Legal  
**Subject:** Draft review: LRB-1600/1 Topic: Disclosing social security numbers to Revenue

It has been requested by <Moran, Christian> that the following draft be jacketed for the ASSEMBLY:

Draft review: LRB-1600/1 Topic: Disclosing social security numbers to Revenue