

**ASSEMBLY SUBSTITUTE AMENDMENT 2,
TO 2007 SENATE BILL 69**

February 4, 2008 – Offered by Representative FRISKE.

1 **AN ACT** *to create* 100.55 of the statutes; **relating to:** information obtained by
2 a tax preparer in the course of preparing a client’s tax return and providing a
3 penalty.

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

4 **SECTION 1.** 100.55 of the statutes is created to read:

5 **100.55 Tax preparers; privacy of client information. (1)** In this section:

6 (a) “Client” means a person whose tax return is prepared by a tax preparer.

7 (b) “Tax preparer” means a person who, in exchange for compensation or
8 expectation of compensation, prepares an income tax return of another person, but
9 does not include any of the following:

10 1. A person who holds a certified public accountant license granted by the
11 accounting examining board under s. 442.08.

1 2. A person who holds a license to practice law in this state.

2 3. A person employed by a corporate trustee, bank, or trust company authorized
3 to provide fiduciary services under state or federal law.

4 **(2)** A tax preparer or entity that employs tax preparers may not disclose to
5 another person information obtained in the course of preparing a client's tax return,
6 unless all of the following apply:

7 (a) The tax preparer or entity provides to the client a separate document that
8 identifies all of the following:

9 1. The persons to whom the tax preparer or entity intends to disclose the
10 information.

11 2. The specific information that the tax preparer or entity intends to disclose.

12 3. The purpose of the disclosure.

13 (b) The document provided under par. (a) informs the client that the client may
14 at any time revoke consent to the disclosure of information obtained in the course of
15 preparing the client's tax return for a tax year by giving notice to the tax preparer
16 or entity that prepared the client's tax return for the tax year.

17 (c) The client signs the document provided by the tax preparer or entity under
18 par. (a).

19 (d) Within 30 days after the date on which the tax preparer or entity completes
20 work on the client's tax return or the date on which the client signs the document
21 provided by the tax preparer or entity under par. (a), whichever occurs first, the tax
22 preparer or entity provides to the client a copy of the document signed by the client.

23 **(3)** Subsection (2) does not apply to the disclosure of information to any of the
24 following:

1 (a) A federal, state, or local governmental entity that is authorized to collect a
2 tax.

3 (b) A federal, state, or local law enforcement agency.

4 (c) A court.

5 **(4)** A document provided by a tax preparer or entity under sub. (2) (a) shall
6 remain valid for one year from the date on which it is signed by a client or until the
7 client revokes consent to the disclosure of information obtained in the course of
8 preparing the client's tax return, whichever occurs first.

9 **(5)** A tax preparer or entity shall retain a copy of the document provided to a
10 client under sub. (2) (a) for as long as the tax preparer or entity retains the client's
11 tax records for the tax year for which the client has consented to disclosure under sub.
12 (2).

13 **(6)** (a) Any person suffering pecuniary loss because of a violation of this section
14 may commence an action to recover the pecuniary loss. If the person prevails, the
15 person shall recover twice the amount of the pecuniary loss, or \$200 for each
16 violation, whichever is greater, together with costs, including reasonable attorney
17 fees, notwithstanding s. 814.04 (1).

18 (b) The department may commence an action in the name of the state to
19 restrain by temporary or permanent injunction a violation of this section. Before
20 entry of final judgment, the court may make any necessary orders to restore to a
21 person any pecuniary loss suffered by the person because of the violation.

22 (c) The department or a district attorney may commence an action in the name
23 of the state to recover a forfeiture to the state of not less than \$100 nor more than
24 \$10,000 for each violation of this section.

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(END)