



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2007 Assembly Bill 166

**Assembly Substitute
Amendment 1 and Assembly
Amendment 1 to Assembly
Substitute Amendment 1**

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Contact: Scott Grosz, Staff Attorney (266-1307)

2007 Assembly Bill 166 prohibits a tax preparer or an entity that employs tax preparers from disclosing information obtained in the course of preparing a client's tax return unless the tax preparer or entity provides a separate disclosure document to the client and the client signs the document. The disclosure document must identify the parties to whom the tax preparer or entity intends to disclose the information.

Assembly Substitute Amendment 1 clarifies that the prohibition on information disclosure does not apply to the disclosure of information to a federal, state, or local government entity that is authorized to collect a tax. Assembly Substitute Amendment 1 prohibits a tax preparer or an entity that employs tax preparers from disclosing information obtained in the course of preparing a client's tax return unless the tax preparer or entity provides a separate disclosure document that identifies all of the following:

1. The persons to whom the tax preparer or entity intends to disclose the information.
2. The specific information the tax preparer or entity intends to disclose.
3. The purpose of the disclosure.

Assembly Substitute Amendment 1 provides that, in order to disclose information, the document must be signed by the client and the client must receive a signed copy of the document within 30 days of completion of the client's tax return or the date on which the client signed the document. The client may revoke consent to the disclosure of information at any time by giving notice to the tax preparer or entity that prepared the client's tax return. Unless revoked by the client, the document is valid for one year from the date it is signed by the client.

Assembly Substitute Amendment 1 also provides a penalty for the prohibited disclosure of information and a private right of action for pecuniary loss.

Assembly Amendment 1 to Assembly Substitute Amendment 1 specifies that the prohibition on information disclosure does not apply to the disclosure of information to a federal, state, or local law enforcement agency.

Legislative History

Assembly Bill 166 was introduced on March 12, 2007 by Representative Friske and others, cosponsored by Senator Sullivan and others, and was referred to the Assembly Committee on Consumer Protection and Personal Privacy.

On May 2, 2007, Representative Friske offered Assembly Substitute Amendment 1 to the bill.

On May 8, 2007, Representative Friske offered Assembly Amendment 1 to Assembly Substitute Amendment 1.

The Assembly adopted Assembly Amendment 1 to Assembly Substitute Amendment 1 by a voice vote and adopted Assembly Substitute Amendment 1 by a voice vote on May 9, 2007. The Assembly passed Assembly Bill 166, as amended, by a vote of Ayes, 96; Noes, 0; on May 9, 2007.

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