

HB 2102 STAFF MEASURE SUMMARY

Carrier: Rep. Hernandez

House Committee On Revenue

Action Date: 03/25/19

Action: Do Pass.

Vote: 6-0-1-0

Yeas: 6 - Findley, Hernandez, Marsh, Nathanson, Reschke, Smith Warner

Exc: 1 - Smith G

Fiscal: No fiscal impact

Revenue: Revenue impact issued

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Meeting Dates: 1/31, 3/25

WHAT THE MEASURE DOES:

Allows Department of Revenue (DOR) to disclose income tax information to a multijurisdictional information sharing organization formed with oversight by the Internal Revenue Service to combat identity theft and fraud. Allows DOR to also disclose such information to tax preparation software vendors that are members of such an organization. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Process if an error is made in identifying potential fraud
- Safeguards in place, how the information is shared or confirmation of identification is received.

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Information Sharing and Analysis Centers (ISAC) exist to ensure protection of critical U.S. infrastructures including informational systems and physical assets supporting them. First piloted in 2017, the Identity Theft Tax Refund Fraud ISAC was formed with equal partners from the Internal Revenue Service, industry and states. The ISAC's purpose is to:

- Facilitate information exchange for tax administration purposes related to identity theft tax refund fraud
- Provide a forum for participants to discuss real-time responses to such fraud schemes
- Promote the advancement of data analysis, capabilities, methodologies and strategies to detect, reduce, and prevent this type of fraud.