



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

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:

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 only for the following purposes:

(a) To administer the payment of state taxes.

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

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

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

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

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

48.78 (2) (k) Paragraph (a) does not prohibit the department of children and families from providing to the department of revenue, upon request, information concerning a recipient of payments under s. 48.57 (3m) or (3n) or aid under s. 48.645, including information contained in the electronic records of the department of children and families, 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 the department of revenue. Any information obtained by the department of revenue under this paragraph is subject to the confidentiality provisions specified in s. 71.78.

SECTION 3. 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 departments of children and families and health services 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 purposes of administering state taxes, including verifying refundable individual income tax credits, and collecting debts owed to the department of revenue. 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.

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

69.20 (3) (g) The state or local registrar, upon request of the department of revenue, may disclose information on vital records, 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 debtors.
2. Identifying fraudulent tax returns and credit claims.
3. Providing information for tax-related prosecutions.

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

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

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

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

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

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

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

(END)