

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 141 Session of 2015

INTRODUCED BY KORTZ, SAMUELSON, BAKER, JAMES, DIAMOND,
 LONGIETTI, BARRAR, COHEN, BARBIN, MILLARD, McCARTER,
 READSHAW, GABLER, GILLEN, ROZZI, MURT, McNEILL, BOBACK,
 EVERETT, STAATS AND RADER, MARCH 3, 2015

REFERRED TO COMMITTEE ON FINANCE, MARCH 3, 2015

A RESOLUTION

1 Urging the Department of Corrections to enter into a Memorandum
 2 of Understanding with the Internal Revenue Service to address
 3 the ongoing problem of incarcerated individuals filing
 4 fraudulent tax returns and receiving a refund.

5 WHEREAS, Recent news reports have highlighted cases in which
 6 prisoners filed fraudulent tax returns and subsequently received
 7 illegal refunds; and

8 WHEREAS, The Treasury Inspector General for Tax
 9 Administration (TIGTA) issued a 2010 report outlining the scope
 10 of this growing problem; and

11 WHEREAS, The TIGTA reported that about 88% of the 287,918 tax
 12 returns identified as filed by prisoners were not selected for
 13 screening; and

14 WHEREAS, An estimated 48,887 prisoners who filed tax returns
 15 had no wage information reported by employers; and

16 WHEREAS, Despite this lack of information, these prisoners
 17 claimed refunds totaling more than \$130 million, including
 18 Earned Income Tax Credit (EITC) claims of \$78.5 million; and

1 WHEREAS, The report recommended that legislation be enacted
2 on the Federal level to expand Internal Revenue Service (IRS)
3 access to the Department of Health and Human Services wage
4 information; and

5 WHEREAS, Current law allows only the IRS to access National
6 Directory of New Hires (NDNH) wage information for tax returns
7 in which the individual is claiming EITC; and

8 WHEREAS, Legislation has been repeatedly proposed in the
9 Congress of the United States to expand IRS access to NDNH wage
10 data without success; and

11 WHEREAS, States such as New York, Minnesota and Florida have
12 entered Memorandum of Understanding agreements with IRS in an
13 effort to minimize fraudulent tax claims filed by prisoners
14 through information sharing since legislation has stalled on the
15 Federal level; therefore be it

16 RESOLVED, That the House of Representatives urge the
17 Department of Corrections to enter into a Memorandum of
18 Understanding agreement with the Internal Revenue Service to
19 address the ongoing problem of incarcerated individuals filing
20 fraudulent tax returns and receiving a refund.