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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE RESOLUTION

No. 277 Session of  
2013

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INTRODUCED BY KORTZ, KRIEGER, TOEPEL, MILLARD, PASHINSKI,  
MARSHALL, READSHAW, D. COSTA, CLYMER, DeLUCA, CUTLER,  
SWANGER, QUINN, MURT, MCCARTER, DENLINGER, GILLEN, FABRIZIO  
AND FARRY, APRIL 30, 2013

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REFERRED TO COMMITTEE ON JUDICIARY, APRIL 30, 2013

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A RESOLUTION

1 Urging the Department of Corrections to enter into a memorandum  
2 of understanding (MOU) with the Internal Revenue Service to  
3 address the ongoing problem of incarcerated individuals  
4 filing 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 MOU agreements with the IRS in an effort to minimize  
13 fraudulent tax claims filed by prisoners through information  
14 sharing since legislation has stalled on the Federal level;  
15 therefore be it

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