

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 58.1-341.2, relating to notification*
3 *of tax return data breach.*

[H 183]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That the Code of Virginia is amended by adding a section numbered 58.1-341.2 as follows:**8 **§ 58.1-341.2. Returns of individuals; notification of tax return data breach.**

9 A. As used in this section:

10 "Income tax return preparer" has the same meaning as in § 58.1-302.

11 "Return information" means a taxpayer's identity and the nature, source, or amount of his income,
12 payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax
13 withheld, assessments, or tax payments. "Return information" does not include information that is
14 lawfully obtained from publicly available information or from federal, state, or local government records
15 lawfully made available to the general public.16 "Signing income tax return preparer" means an income tax return preparer who has the primary
17 responsibility for the overall substantive accuracy of the preparation of a return or claim for refund.18 "Taxpayer identity" means the name of a person with respect to whom a return is to be filed and his
19 taxpayer identification number as defined in 26 U.S.C. § 6109.20 B. 1. Any signing income tax return preparer who prepares Virginia individual income tax returns
21 during a calendar year shall notify the Department without unreasonable delay after the discovery or
22 notification of unauthorized access and acquisition of unencrypted and unredacted return information
23 that compromises the confidentiality of such information maintained by such signing income tax return
24 preparer and that creates a reasonable belief that an unencrypted and unredacted version of such
25 information was accessed and acquired by an unauthorized person and that causes, or such preparer
26 reasonably believes has caused or will cause, identity theft or other fraud.27 2. Such signing income tax return preparer shall provide the Department with the name and
28 taxpayer identification number of any taxpayer that may be affected by a compromise in confidentiality
29 that requires notification pursuant to subdivision 1, as well as the name of the signing income tax return
30 preparer, his preparer tax identification number, and such other information as the Department may
31 prescribe.32 C. An income tax return preparer shall complete the notice required by this section on behalf of any
33 of its employees who are signing income tax preparers and who would otherwise be required to notify
34 the Department pursuant to subsection B.