

# 2018 SESSION

INTRODUCED

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## SENATE BILL NO. 271

Offered January 10, 2018

Prefiled January 5, 2018

A *BILL to amend the Code of Virginia by adding a section numbered 58.1-341.2, relating to notification of tax return data breach.*

Patron—Howell

Referred to Committee on Finance

### Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 58.1-341.2 as follows:

**§ 58.1-341.2. Returns of individuals; notification of tax return data breach.**

A. As used in this section:

"Return information" means a taxpayer's identity or the nature, source, or amount of his income, payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax withheld, assessments, or tax payments. "Return information" does not include information that is lawfully obtained from publicly available information or from federal, state, or local government records lawfully made available to the general public.

"Signing income tax return preparer" means an income tax return preparer, as defined in § 58.1-302, who has the primary responsibility for the overall substantive accuracy of the preparation of a return or claim for refund.

"Taxpayer identity" means the name of a person with respect to whom a return is to be filed, his mailing address, his taxpayer identification number as defined in 26 U.S.C. § 6109, or a combination thereof.

B. Any signing income tax return preparer who prepares Virginia individual income tax returns during a calendar year shall notify the Department without unreasonable delay after the discovery or notification of unauthorized access and acquisition of unencrypted and unredacted return information that compromises the confidentiality of such information and that creates a reasonable belief that an unencrypted and unredacted version of such information was accessed and acquired by an unauthorized person and that causes, or such preparer reasonably believes has caused or will cause, identity theft or other fraud.

Such signing income tax return preparer shall provide the Department with the name and taxpayer identification number of any taxpayer that may be affected by the compromise in confidentiality, as well as the name of the signing income tax return preparer, his preparer tax identification number, and such other information as the Department may prescribe.

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SB271