

113TH CONGRESS
2D SESSION

S. 2239

To amend the Internal Revenue Code of 1986 to permit the Secretary of the Treasury to disclose certain return information related to identity theft, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 10, 2014

Mr. JOHNSON of Wisconsin (for himself and Mr. WARNER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to permit the Secretary of the Treasury to disclose certain return information related to identity theft, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Social Security Iden-
5 tity Defense Act of 2014”.

1 **SEC. 2. DISCLOSURE OF CERTAIN RETURN INFORMATION**
 2 **WITH RESPECT TO IDENTITY THEFT.**

3 (a) IN GENERAL.—Subsection (l) of section 6103 of
 4 the Internal Revenue Code of 1986 is amended by adding
 5 at the end the following new paragraph:

6 “(23) DISCLOSURE OF RETURN INFORMATION
 7 IN CERTAIN CASES OF IDENTITY THEFT.—

8 “(A) IN GENERAL.—If the Secretary deter-
 9 mines that there is a substantial likelihood that
 10 there has been a fraudulent use of a social se-
 11 curity account number on a statement described
 12 in section 6051—

13 “(i) the Secretary shall disclose to the
 14 individual who was validly assigned such
 15 social security account number—

16 “(I) that the Secretary has rea-
 17 son to believe that the social security
 18 account number assigned to such indi-
 19 vidual has been fraudulently used in
 20 the employment context,

21 “(II) that the Secretary has
 22 made the disclosure described in
 23 clause (ii) to the Director of the Fed-
 24 eral Bureau of Investigation with re-
 25 spect to such fraudulent use, and

1 “(III) such other information
2 (other than return information) as the
3 Secretary determines, in consultation
4 with Federal Trade Commission,
5 would be helpful and appropriate to
6 provide to a victim of identity theft,
7 and

8 “(ii) the Secretary shall disclose to the
9 Director of the Federal Bureau of Inves-
10 tigation—

11 “(I) such social security account
12 number,

13 “(II) that the Secretary has rea-
14 son to believe that such social security
15 account number has been fraudulently
16 used in the employment context, and

17 “(III) the taxpayer identity infor-
18 mation of the individual who was as-
19 signed such social security account
20 number, the individual believed to
21 have fraudulently used such social se-
22 curity account number, and the em-
23 ployer who made the statement de-
24 scribed in section 6051 which included
25 such social security account number.

1 “(B) RESTRICTION ON DISCLOSURE TO
2 LAW ENFORCEMENT.—

3 “(i) DISCLOSURE TO OTHER LAW EN-
4 FORCEMENT OFFICIALS.—The Director of
5 the Federal Bureau of Investigation may
6 disclose information received under sub-
7 paragraph (A)(ii) to appropriate Federal,
8 State, and local law enforcement officials.

9 “(ii) RESTRICTION ON USE OF DIS-
10 CLOSED INFORMATION.—Return informa-
11 tion disclosed under subparagraph (A)(ii)
12 may be used by Federal, State, and local
13 law enforcement officials only for purposes
14 of carrying out criminal investigations or
15 prosecutions.

16 “(iii) MEMORANDUM OF UNDER-
17 STANDING.—For purposes of this para-
18 graph, any return information disclosed
19 under subparagraph (A)(ii) may not be
20 provided to any State or local law enforce-
21 ment official until such official has entered
22 into a memorandum of understanding with
23 the Secretary that includes the following
24 terms and conditions:

1 “(I) Confidentiality of returns
 2 and return information and prohibi-
 3 tions on disclosure described in sub-
 4 section (a)(3).

5 “(II) Safeguards, restrictions on
 6 access, and recordkeeping require-
 7 ments described in subsection (p)(4).

8 “(III) Application of penalties for
 9 unauthorized disclosure of returns and
 10 return information under section
 11 7213(a)(2).

12 “(IV) Any additional terms and
 13 conditions deemed appropriate by the
 14 Secretary.”.

15 (b) PREVENTION OF USE OF W-2 STATEMENTS TO
 16 CARRY OUT IDENTITY THEFT.—Section 6051 of such
 17 Code is amended by adding at the end the following new
 18 subsection:

19 “(g) PREVENTION OF IDENTITY THEFT.—Except as
 20 otherwise provided by the Secretary, if an employer is no-
 21 tified by the Secretary with respect to any employee that
 22 the Secretary has reason to believe that the social security
 23 account number included on the statement described in
 24 subsection (a) with respect to such employee is not the

1 social security account number of such employee, such em-
 2 ployer—

3 “(1) shall cease to include such social security
 4 account number on statements provided to the em-
 5 ployee under subsection (a), but

6 “(2) shall continue to include such social secu-
 7 rity account number on duplicates of such state-
 8 ments provided to the Secretary under subsection
 9 (d).”.

10 (c) CONFORMING AMENDMENTS RELATED TO DIS-
 11 CLOSURE.—

12 (1) CONFIDENTIALITY.—Paragraph (3) of sec-
 13 tion 6103(a) of such Code is amended by striking
 14 “or (21)” and inserting “(21), or (23)”.

15 (2) PROCEDURES AND RECORDKEEPING RE-
 16 LATED TO DISCLOSURES.—Paragraph (4) of section
 17 6103(p) of such Code is amended by striking “or
 18 (20)” each place it appears and inserting “(20), or
 19 (23)”.

20 (3) UNAUTHORIZED DISCLOSURE OR INSPEC-
 21 TION.—Paragraph (2) of section 7213(a) of such
 22 Code is amended by striking “or (21)” and inserting
 23 “(21), or (23)”.

○