

114TH CONGRESS
1ST SESSION

H. R. 2398

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

IN THE HOUSE OF REPRESENTATIVES

MAY 18, 2015

Mr. GROTHMAN introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to permit the Secretary of the Treasury and the Commissioner of the Social Security Administration 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 2015”.

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 has
9 reason to believe that there has been a fraudu-
10 lent use of a social security account number on
11 a statement described in section 6051—

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

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

20 “(II) that the Secretary has
21 made the disclosure described in
22 clause (ii) to the Director of the Fed-
23 eral Bureau of Investigation and the
24 Attorney General with respect to such
25 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 and the Attorney General—

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 and
6 the Attorney General may disclose infor-
7 mation received under subparagraph
8 (A)(ii) to appropriate Federal, State, and
9 local law enforcement officials.

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

17 “(iii) MEMORANDUM OF UNDER-
18 STANDING.—For purposes of this para-
19 graph, any return information disclosed
20 under subparagraph (A)(ii) may not be
21 provided to any State or local law enforce-
22 ment official until such official has entered
23 into a memorandum of understanding with
24 the Secretary that includes the following
25 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 IDENTITY THEFT.—In the case
16 of an employee for whom the Commissioner of the Social
17 Security Administration has reason to believe that the so-
18 cial security number included on any statement described
19 in section 6051(a) of the Internal Revenue Code of 1986
20 with respect to such employee is not the correct social se-
21 curity number for such employee, the Commissioner shall
22 provide notification to the employer for such employee
23 which includes—

24 (1) the name of the employee and the social se-
25 curity number included on such statements; and

1 (2) relevant information regarding the avail-
 2 ability of the Social Security Number Verification
 3 Service for verification of social security numbers.

4 (c) CONFORMING AMENDMENTS RELATED TO DIS-
 5 CLOSURE.—

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

9 (2) PROCEDURES AND RECORDKEEPING RE-
 10 LATED TO DISCLOSURES.—Paragraph (4) of section
 11 6103(p) of such Code is amended by striking “or
 12 (20)” each place it appears and inserting “(20), or
 13 (23)”.

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

18 **SEC. 3. PENALTIES FOR TAX-RELATED IDENTITY THEFT.**

19 (a) IN GENERAL.—Section 1028A(c) of title 18,
 20 United States Code, is amended—

21 (1) by redesignating paragraphs (8) through
 22 (11) as paragraphs (10) through (13), respectively;
 23 and

24 (2) by inserting after paragraph (7) the fol-
 25 lowing new paragraphs:

1 “(8) section 286 (relating to conspiracy to de-
 2 fraud the government with respect to claims), sec-
 3 tion 287 (relating to false, fictitious, or fraudulent
 4 claims), section 371 (relating to conspiracy to com-
 5 mit an offense or to defraud the United States), sec-
 6 tion 1001 (relating to statements or entries), section
 7 1341 (relating to frauds and swindles), section 1342
 8 (relating to a fictitious name or address), section
 9 1343 (relating to fraud by wire, radio, or television),
 10 or section 1344 (relating to bank fraud), if the fel-
 11 ony violation is a tax-related offense punishable
 12 under such section;

13 “(9) section 7206 of the Internal Revenue Code
 14 of 1986 (relating to fraud and false statements);”.

15 (b) PENALTY FOR MISAPPROPRIATION OF TAX IDEN-
 16 TIFICATION NUMBERS.—

17 (1) IN GENERAL.—Part I of subchapter B of
 18 chapter 68 of the Internal Revenue Code of 1986 is
 19 amended by adding at the end the following new sec-
 20 tion:

21 **“SEC. 6720D. MISAPPROPRIATION OF TAX IDENTIFICATION**
 22 **NUMBER.**

23 “‘In addition to any penalty provided by law, any per-
 24 son who knowingly or willfully misappropriates another
 25 person’s tax identification number in connection with any

1 list, return, account, statement, or other document sub-
2 mitted to the Secretary shall pay a penalty of \$5,000.”.

3 (2) CONFORMING AMENDMENT.—The table of
4 sections for part I of subchapter B of chapter 68 of
5 such Code is amended by adding at the end the fol-
6 lowing new item:

“Sec. 6720D. Misappropriation of tax identification number.”.

7 (3) EFFECTIVE DATE.—The amendments made
8 by this subsection shall apply to returns and infor-
9 mation submitted after the date of the enactment of
10 this Act.

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