

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE RESOLUTION

No. 229 Session of 2017

INTRODUCED BY KORTZ, LONGIETTI, JAMES, SAMUELSON, WARD, BAKER, NEILSON, MILLARD, A. HARRIS, GABLER, BENNINGHOFF, McNEILL, READSHAW, MILNE, D. COSTA, GILLEN, PASHINSKI, DUSH, SAYLOR, RADER AND BOBACK, APRIL 10, 2017

REFERRED TO COMMITTEE ON FINANCE, APRIL 10, 2017

A RESOLUTION

1 Urging the Department of Corrections to enter into a Memorandum
 2 of Understanding with the Internal Revenue Service to address
 3 the ongoing problem of incarcerated individuals filing
 4 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, TIGTA reported that approximately 88% of the 287,918
 12 tax returns identified as being filed by prisoners were not
 13 selected for 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 the Secretary of the Treasury to
6 access the National Directory of New Hires (NDNH) wage
7 information only for tax returns in which the individual is
8 claiming EITC and for verifying employment claims in tax
9 returns; and

10 WHEREAS, Legislation has been repeatedly proposed in the
11 Congress of the United States to expand IRS access to NDNH wage
12 data without success; therefore be it

13 RESOLVED, That the House of Representatives urge the
14 Department of Corrections to enter into a Memorandum of
15 Understanding agreement with the Internal Revenue Service to
16 address the ongoing problem of incarcerated individuals filing
17 fraudulent tax returns and receiving a refund.