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House of Representatives  
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**MEMORANDUM**

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TO: All House Members  
FROM: Representative Michael Peifer *MP*  
DATE: March 20, 2019  
RE: Co-sponsorship – IRS Compliance for Employees Who Handle  
Federal Tax Information

In the near future, I will be introducing legislation to align the Commonwealth of Pennsylvania with IRS Publication 1075 with regards to criminal background checks.

During the 2014 Treasury Inspector General for Tax Administration audit, several state agencies were asked to provide copies of background check policy and procedures. The results of this request varied from very thorough standards to no checks at all. A recommendation to establish and ensure that background investigation requirements for all agency employees and contractors that have access to federal tax information are consistent with the IRS's background investigation requirements for access to this information.

The recommendation as accepted and in September 2016, went into effect.

In response, the Commonwealth enacted provisions to comply in Act 40 of 2017, but upon review by the FBI and IRS, they were found to be insufficient.

My bill will replace the language found in the Administrative Code with new language to require all agencies with employees or contractors that have access to federal tax information to comply with the enhanced security procedures. Without this change, the Department of Revenue would lose access to federal tax data, which could result in the loss of program integrity while incurring increased costs to secure federal tax data in other, less reliable, ways.

This new language is the result of discussions the Department of Revenue and Pennsylvania State Police held with the FBI and IRS, both of who are have approved the changes my bill proposes.

I respectfully ask that you join me in co-sponsoring this bill.