News Release from Congresswoman

Nancy Johnson



Fifth District, Connecticut

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Johnson Calls on IRS to Protect Taxpayer Privacy

Senior Ways and Means Member Says Tax Returns Should Not Be Sold to Marketing Companies

NEW BRITAIN, CT – Congresswoman Nancy Johnson today objected to an Internal Revenue Service proposal that would allow confidential tax returns to be sold to marketing companies and data brokers. Johnson is a senior member of the House Ways and Means Committee, which oversees the Internal Revenue Service (IRS).

According to published reports, the IRS is considering a proposal allowing accountants and tax preparers to sell Americans' tax returns to third-parties like marketing firms and database managers. Current IRS rules prohibit the practice.

In a letter to IRS Commissioner Mark W. Everson, Johnson said confidential tax and financial information should be given every protection, "not sold to the highest bidder." The sale of Social Security numbers and private financial information would expose Americans to identity theft, she added.

"Right now Americans are fulfilling their civic duty by filing their income tax returns with the IRS. They expect their tax returns to be kept confidential, even if they use a tax-preparer to navigate our complex income tax code," Johnson wrote. "The IRS should protect Americans' privacy, not let it be sold to the highest bidder."

The full letter is on the next page.

March 22, 2006

The Honorable Mark W. Everson Commissioner Internal Revenue Service 1111 Constitution Avenue, NW Washington, DC 20224

Dear Commissioner Everson:

I am writing to express my strong opposition to the Internal Revenue Service (IRS) proposal allowing tax preparers to sell people's confidential tax information to marketing companies. News reports today say the IRS believes this change is "not a significant regulatory action," but my constituents in Connecticut would strongly disagree. There is no rational reason why their personal privacy should be compromised in this manner.

Right now Americans are fulfilling their civic duty by filing their income tax returns with the IRS. They expect their tax returns to be kept confidential, even if they use a tax-preparer to navigate our complex income tax code. Current IRS rules rightly prohibit tax preparers and accountants from selling tax information to marketing companies. Tax returns contain Americans' Social Security numbers and private information on our family finances and indebtedness. If this information falls into the wrong hands, American families can fall victim to devastating identity theft and fraud, ruining their credit history and financial well-being.

Surveys show more than a third of American taxpayers will pay for the services of an accountant or tax preparer this tax season. In exchange, they have the expectation that their confidential tax returns – held inviolable until now – will not be sold to marketers and sales firms. And even if they are asked for permission, many might agree without understanding the full consequences.

The IRS should protect Americans' privacy, not let it be sold to the highest bidder. I strongly urge the IRS to reverse course, rescind this proposal and keep Americans' tax returns confidential.

Very truly yours,

/s/

Nancy L. Johnson Member of Congress

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