

Washington, DC -- U.S. Representative Michael A. Arcuri (D-Utica) voted today in favor of legislation to provide taxpayers additional protections against identity theft.

The legislation, the Taxpayer Protection Act (H.R. 1677), would require the Internal Revenue Service (IRS) to notify taxpayers of unauthorized use of their identity, prevent criminals from acquiring sensitive personal information (more commonly known as “phishing”), provide taxpayers with more time to collect money that was wrongfully levied, and increase outreach by the IRS to assist taxpayers with the earned income tax credit.

“As District Attorney, I worked diligently to make sure local police departments had the resources they needed to protect citizens from identity theft,” Arcuri said. “The Taxpayer Protection Act brings the IRS into the fight against identity theft and provides additional protections for hard-working families in Upstate New York.”

H.R. 1677 would require the IRS, if it determines in the course of an investigation that there has been, or may have been, an unauthorized use of a taxpayer’s identity or the identity of his or her dependents, to notify the taxpayer as soon as practicable without jeopardizing an investigation. IRS would be required to notify the taxpayer when someone is charged with identity theft.

Specifically, the Taxpayer Protection Act would:

- Prevent “Phishing” and other online tax season scams and misleading websites by preventing the misuse of Treasury Department names and symbols, such as the IRS. Violations would be subject to civil penalties of \$25,000 per violation and criminal penalties of \$50,000 per violation.
- Allow the IRS to disclose to the Federal Bureau of Prisons certain return-related information on prisoners in order to prevent tax fraud by those prisoners. According to 2005 testimony, more than 15% of tax fraud cases involve prison inmates.
- Extend to two years, from the current nine months, the period during which money or the

proceeds from the sale of property that was subject to a wrongful IRS levy may be returned, and it similarly extends to two years the period during which a taxpayer may bring a civil suit regarding a levy. It allows taxpayers to retribute any individual retirement account (IRA) contributions that were subject to a wrongful levy, provided that the money is returned to the same IRA or IRA type within 60 days.

- Permit the IRS to withhold information from companies offering refund anticipation loans considered predatory.
- Require the IRS to reach out to all taxpayers potentially eligible for the Earned Income Tax Credit (EITC) - a tax credit for low-income working individuals and families.
- Enable joint ventures owned by a husband and wife to avoid being treated as a partnership for tax filing purposes, if both spouses elect to do so. This would prevent spouses from being subject to penalties for failing to file as a partnership. The bill also permits both the husband and wife to be credited for the payment of Social Security and Medicare taxes.

Arcuri is also a cosponsor of the SAFER NET Act (H.R. 1008), which would create a new Office of Internet Safety and Public Awareness to streamline and efficiently collect information and create a clearinghouse of readily available information for Americans to protect themselves and their families from cyber crime.

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