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1750 H Street N.W. • Washington, D.C. 20006 • (202) 572-5500

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Contact: Dina Long, Ext. 7058
Sheila McCormick, Ext. 7034
Mike Drapkin, Ext. 7011

Kelley Calls IRS Proposal to Permit Sale of Tax Data To Marketers An Outrageous Assault on Taxpayer Privacy

Washington, D.C.—The head of the National Treasury Employees Union (NTEU) today described as “yet another outrageous assault by the Internal Revenue Service on taxpayer privacy” a proposed regulatory rule change that would permit tax return preparers to sell tax returns or any information contained in them to marketing and data-mining companies.

NTEU President Colleen M. Kelley called “extraordinarily cavalier” the attitude the IRS is displaying toward the personal and sensitive information of American taxpayers. “This proposal simply is unbelievable,” Kelley said, “especially when viewed in the light of the agency’s recent hiring of three private sector debt collectors to pursue tax debts.”

The proposed rule change—included in a package of changes previously published in the *Federal Register* by the IRS and the Treasury Department—would require a tax preparer to obtain written consent from a taxpayer before selling tax information or the entire return, or before processing a tax return overseas.

Clearly, Kelley warned, “the IRS is turning its back on the reality of an epidemic of identity theft in this country.” What’s more, she said, the safeguard the IRS is advancing—namely, that tax preparers will require taxpayer consent to such a sale—“truly is meaningless.”

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The reality, the NTEU leader said, is that accountants and other tax preparers “will present their clients with a sheaf of papers to be signed—one of which will be their consent to the sale to marketers and data-miners of their personal information—and to the clients that will be just another in a large set of forms requiring their signature.”

She added: “That hardly will constitute knowledgeable and informed consent.”

President Kelley warned that if the IRS continues down the path of making it easier for private and sensitive taxpayer information to get into the marketplace, “the agency runs the risk of seriously eroding taxpayer confidence in our voluntary tax system.”

The nation already has a huge and growing gap between taxes owed and amounts paid, she noted. “Why the IRS takes steps like the tax debt privatization program and this dangerous and ill-advised proposal to put tax information up for sale is simply beyond comprehension,” she said.

NTEU is the largest independent federal union, representing some 150,000 employees in 30 agencies and departments, including 90,000 in the IRS.

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