

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding a section numbered 58.1-341.2, relating to notification*
 3 *of tax return data breach.*

4 [H 183]
 5 Approved

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That the Code of Virginia is amended by adding a section numbered 58.1-341.2 as follows:**

8 **§ 58.1-341.2. Returns of individuals; notification of tax return data breach.**

9 *A. As used in this section:*

10 *"Income tax return preparer" has the same meaning as in § 58.1-302.*

11 *"Return information" means a taxpayer's identity and the nature, source, or amount of his income,*
 12 *payments, receipts, deductions, exemptions, credits, assets, liabilities, net worth, tax liability, tax*
 13 *withheld, assessments, or tax payments. "Return information" does not include information that is*
 14 *lawfully obtained from publicly available information or from federal, state, or local government records*
 15 *lawfully made available to the general public.*

16 *"Signing income tax return preparer" means an income tax return preparer who has the primary*
 17 *responsibility for the overall substantive accuracy of the preparation of a return or claim for refund.*

18 *"Taxpayer identity" means the name of a person with respect to whom a return is to be filed and his*
 19 *taxpayer identification number as defined in 26 U.S.C. § 6109.*

20 *B. 1. Any signing income tax return preparer who prepares Virginia individual income tax returns*
 21 *during a calendar year shall notify the Department without unreasonable delay after the discovery or*
 22 *notification of unauthorized access and acquisition of unencrypted and unredacted return information*
 23 *that compromises the confidentiality of such information maintained by such signing income tax return*
 24 *preparer and that creates a reasonable belief that an unencrypted and unredacted version of such*
 25 *information was accessed and acquired by an unauthorized person and that causes, or such preparer*
 26 *reasonably believes has caused or will cause, identity theft or other fraud.*

27 *2. Such signing income tax return preparer shall provide the Department with the name and*
 28 *taxpayer identification number of any taxpayer that may be affected by a compromise in confidentiality*
 29 *that requires notification pursuant to subdivision 1, as well as the name of the signing income tax return*
 30 *preparer, his preparer tax identification number, and such other information as the Department may*
 31 *prescribe.*

32 *C. An income tax return preparer shall complete the notice required by this section on behalf of any*
 33 *of its employees who are signing income tax preparers and who would otherwise be required to notify*
 34 *the Department pursuant to subsection B.*

ENROLLED

HB183ER