

STATEMENT OF PURPOSE

RS25686

This bill relates to how the State Tax Commission conducts background checks for its employees. Currently the Tax Commission uses the Idaho State Police system which checks with eight western states for criminal records. This bill will allow for a nationwide background check for current employees, contractors and all new hires, to determine their suitability to have access to federal income tax information. This is important because the Idaho income tax code is based on using the Internal Revenue Code as a starting point and it is necessary for us to comply with the IRS guidelines in order to have access to federal tax data. The current requirements became effective September 30, 2016. The Internal Revenue Service, according to Publication 1075, Tax Information Security Guidelines for Federal, State and Local Agencies, requires agencies receiving federal income tax information to follow procedures that include a nationwide background check.

FISCAL NOTE

The first year cost is approximately \$30,720, made up of \$10,000 worth of equipment and the processing fees of \$37 each for the 560 employees, equaling \$20,720. In subsequent years the Commission would have to continue to check the backgrounds of newly hired people. The Tax Commission turnover rate including retirement has been approximately 20% or 112 employees times the \$37 processing fee resulting in an estimated annual cost of \$4,144. The Tax Commission will absorb any costs associated with this bill within its current appropriation.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).