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**Date:** 3/6/2014 1:56:52 PM  
**Subject:** Report

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SCDOR Reporting Requirements for Identity Theft Protection Services

**The Budget Proviso for continued credit monitoring requires 2 reports:**

1. By February 1, 2014, the Budget and Control Board, with assistance from the Department of Revenue, must issue a report to the General Assembly:
  - Containing findings and recommendations concerning the on-going risk of identity theft to eligible persons
  - The identity theft protection and identity theft resolution services the contract or contracts provided (we must enter into a contract with a vendor to provide these services)
  - The need for extending the period for contracted services, to include the level of services, beyond one year.
2. By March 15, 2014, the Department of Revenue must issue a report to the Governor and General Assembly detailing:
  - # of persons who enrolled in contracted for services
  - # of persons eligible to enroll in services
  - Efforts undertaken to encourage enrollment

**The statute allowing taxpayers to claim a deduction for the cost of identity theft protection services that they acquire obligates us to issue 1 report:**

1. By March 15 of each year, the Department must report to the Governor and General Assembly
  - The # of taxpayers who claimed the deduction in the most recent tax year for which the information is available (4/15/2015 will be the earliest date the report will be due)
  - The total money value of the deductions claimed

A taxpayer is not eligible to claim the deduction if he/she/it claimed the costs for protection as a business expense or participated in the identity theft programs offered free of charge by the state

Question: What information do you think will be useful to help us fulfill our reporting requirements and administer the deduction? For instance, to administer the deduction, I think we need the vendor of the identity theft services to give us the name, address and last 4 of persons who have enrolled or at least make that information available to us upon request.

What processes do we need to put in place so that we can capture the information that we need to report and timely issue the reports?

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