

**WEST VIRGINIA  
SECRETARY OF STATE  
BETTY IRELAND  
ADMINISTRATIVE LAW DIVISION**

Form #2

**FILE** Do Not Mark In this Box  
2008 JUL 25 AM 10: 57  
OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE**

AGENCY: State Tax Department TITLE NUMBER: 110

RULE TYPE: Legislative CITE AUTHORITY W. Va. Code §11-10-5; 5a and 5s

AMENDMENT TO AN EXISTING RULE: YES \_\_\_\_\_ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

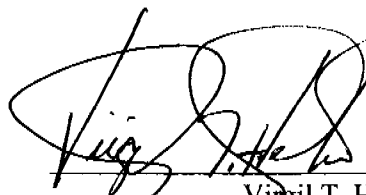
IF NO, SERIES NUMBER OF RULE BEING PROPOSED: 50E

TITLE OF RULE BEING PROPOSED: Exchange of Information Agreement Between the State Tax Division and the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit.

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON August 25, 2008 AT 5:00 pm. ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS:

Legal Division  
State Tax Department  
P.O. Box 1005  
Charleston, WV 25324-1005

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.



Virgil T. Helton  
Cabinet Secretary of the Department of Revenue

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

110CSR50E

FILED

2008 JUL 25 AM 10: 57

TITLE 110  
LEGISLATIVE RULE  
STATE TAX COMMISSION

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

SERIES 50E  
EXCHANGE OF INFORMATION AGREEMENT BETWEEN THE STATE TAX  
DIVISION AND THE DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
OFFICE OF THE INSPECTOR GENERAL MEDICAID FRAUD CONTROL  
UNIT

**§110-50E-1 General.**

1.1. Scope. -- This rule authorizes certain information to be exchanged pursuant to a written interagency agreement between the Tax Division and the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit.

1.2. Authority. -- This rule is promulgated under authority of W. Va. Code §§11-10-5; 5a and 5s.

1.3. Filing Date -- \_\_\_\_\_.

1.4 Effective Date. -- \_\_\_\_\_.

**§110-50D-2. Purposes.**

W.Va. Code § 11-10-5s(b)(4) authorizes the West Virginia State Tax Commissioner to promulgate legislative rules regarding a written exchange of information agreement with another State agency if the purpose of the agreement is to facilitate premium collection, tax collection or licensure requirements directly enforced, administered or collected by the other State agency or the Tax Commissioner. Additionally, West Virginia Code § 9-7-3 authorizes the DHHR Secretary, or an employee of the unit designated by the Secretary, to administer oaths or affirmations and issue subpoenas for witnesses and documents concerning the existence of any record, and the identity and location of any persons having any knowledge of any facts for the purpose of investigating fraud and abuse of the Medicaid Program.

**§110-50D-3. Disclosure of Certain Information Authorized.**

3.1. In accordance with W. Va. Code §11-10-5s(b)(4), the Tax Commissioner and the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit may, in order to accomplish the purposes set forth in section two of this rule, exchange information, pursuant to a written agreement specifying the type and manner of information to be exchanged and containing provisions for safeguarding any confidential information received pursuant to the agreement.

3.2. A copy of any exchange of information agreement entered into pursuant to this rule, including any subsequent revision(s) of the agreement, or amendment(s) to the agreement, shall be filed in the State Register at least thirty days before the effective date of the agreement, or any revision or amendment of the agreement, in order to permit an opportunity for public comment.

### **SUMMARY OF PROPOSED RULE**

The proposed rule will enable the Tax Division and the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit to exchange information as set out in the Interagency Agreement. The information to be shared will enable the Tax Division to collect taxes on all state income, including income from the illegal proceeds of fraudulent and illegal activity.

## **STATEMENT OF CIRCUMSTANCES**

Taxes on the proceeds of fraudulent and illegal activity are often undercollected. The Tax Division would benefit from certain information in the possession of the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit (MFCU). The information from the MFCU will assist the Tax Division in investigation of tax fraud.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULE

Rule Title: Exchange of Information Agreement Between the State Tax Division and The Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit

Type of Rule:  Legislative  Interpretive  Procedural

Agency: State Tax Department  
 Address: Legal Division  
P.O. Box 1005  
Charleston, WV 25324

1. Effect of Proposed Rule

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
<u>ESTIMATED TOTAL COST</u>	-0-	-0-	-0-	-0-	-0-
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-
CURRENT EXPENSE	-0-	-0-	-0-	-0-	-0-
REPAIRS & ALTERNATIONS	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-

2. Explanation of above estimates:

This rule should have no discernable impact on the cost of state government, but has the potential to return an undetermined amount of revenue in the form of the collection of taxes due.

3. Objectives of these rules:

This rule should have no discernable impact on the cost of state government, but has the potential to return an undetermined amount of revenue in the form of the collection of taxes due.

RULE TITLE: Exchange of Information Agreement Between the State Tax Division and The Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

This rule should have no discernible impact on the cost of State Government since it is to permit the Tax Division and the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit to share information already collected by both agencies.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.

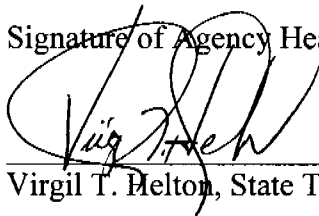
This rule should have no discernible impact on the cost of State Government since it is to permit the Tax Division and the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit to share information already collected by both agencies.

C. Economic Impact on Citizens/Public at Large.

This rule should have no discernible impact on the cost of State Government since it is to permit the Tax Division and the Department of Health and Human Resources Office of the Inspector General Medicaid Fraud Control Unit to share information already collected by both agencies.

Date: \_\_\_\_\_

Signature of Agency Head or Authorized Representative



\_\_\_\_\_  
Virgil T. Melton, State Tax Commissioner