SURV

THE NEW YORK TIMES, THURSDAY, JUNE 10, 19

Panel Would Limit Tax Bureau In Giving Data to U.S. Agencies

NYTimes JUN 10 1976

Special to The New York Times

WASHINGTON, June 9—The power of Government agencies to collect personal information about individuals from Internal Revenue Service data should be restricted and defined by law, a Federal commission said in a report released today.

The panel the Privacy Protection Study Commission, urged that the use of tax information be restricted to the purpose for which it was given by the individual—the efficient collection of revenue by the Government.

Any other use of the data, the commission said, puts taxpayers at a disadvantage, because they are compelled, under "threat of serious punishment," to furnish personal information in their tax returns that may be used by the Government in cases having nothing to do with the income tax.

Calling the condifentiality of tax returns an "essential element in preserving the effectiveness of the tax system," the commission said that the widespread use of tax information "for purposes wholly unrelated to tax administration cannot help but diminish the taxpayer's disposition to cooperate with the I.R.S. voluntarily."

The commission recommended that tax information be given only to those agencies authorized by law to receive it, and that they receive only such information as they need for their purposes.

Without such authorization, the commission said, no "individually identifiable data" should be released by the I.R.S. without the "prior written consent of the individual to whom it pertains."

The commission further recommended that recipients of tax information be prohibited by law from "redisclosing" it.

The report is a result of an eight-month study by the commission, which is charged by the Privacy Act of 1974 with reporting to the President and Congress on whether the I.R.S. should disclose personal information on taxpayers to other Government agencies.