

ACLU OF RI POSITION: AMEND

**TESTIMONY ON 26-H 8191,
RELATING TO TAXATION – PERSONAL INCOME TAX
April 8, 2026**

The importance of keeping personal tax information confidential is longstanding and well-known. This bill would create an exception to allow HealthSource RI (HSRI) to get in touch with individuals who are uninsured so as to inform them about options for getting enrolled in a health insurance plan. The bill also would provide a mechanism on the tax form for a taxpayer to have an opportunity to opt out of having their information shared with HSRI.

It is the ACLU of Rhode Island's general view when it comes to giving individuals options on the sharing of their personal information that an *opt-in* approach is the better one in terms of truly ensuring informed consent. At the same time, we appreciate the goal of this legislation and recognize that the sharing of information in this context is directly for the benefit of the individual taxpayer, unlike most other situations of data-sharing. As a result, we have not yet come to a conclusion as to whether an opt-in approach should be used in this particular instance.

However, we do wish to offer two recommendations on the data-sharing procedures contained in the bill. First, in requiring the tax administrator to indicate on the return the taxpayer's right to opt-out of this information sharing [Page 3, lines 29-33], the bill should specify that the notice be prominent. It would be all too easy for this option to be buried on the form or in instructions that would be missed by the affected taxpayers. Prominent disclosure is particularly important if this is going to be an opt-out instead of an opt-in process.

Second, on the bill's section regarding privacy and security, we welcome the requirement that the tax administrator must first "develop a detailed set of data privacy and data security safeguards." [Page 6, lines 6-11] We would urge that the bill specify that the safeguards be promulgated through the Administrative Procedures Act before the sharing information program is implemented so there is an opportunity for public input on the strength of the safeguards being implemented.

Thank you for considering our views.