



128 Dorrance Street, Suite 400  
Providence, RI 02903  
Phone: (401) 831-7171  
Fax: (401) 831-7175  
[www.riaclu.org](http://www.riaclu.org)  
[info@riaclu.org](mailto:info@riaclu.org)

## ACLU OF RI POSITION: AMEND

### TESTIMONY ON 26-S 3250, RELATING TO TAXATION – PERSONAL INCOME TAX June 3, 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.

If the state is going to adopt an opt-out procedure, we believe there are two critical amendments that should be added to protect Rhode Islanders' privacy rights. 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 require that the notice be prominent and easily read. 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 clarifying language be added, emphasizing that the standards must comply, at a minimum, with federal standards, and that those standards apply not just to the state but to any contractors hired by the state to implement this provision.

We have attached proposed amendments to address those two issues, and it is our understanding that Health Source RI is in support of them. We therefore urge their adoption when the bill is considered on the Senate floor.

Thank you for considering our views.

**PROPOSED AMENDMENT TO HEALTH SOURCE TAX INFO SHARING  
BILL,  
S-3250 AND H-8191**

1. Amend the opt-out language on Page 3, lines 29-33 as follows:

(2) Opt-Out. Every applicable individual who indicates on a return that minimum essential coverage required by subsection (b) of this section was not in force shall also indicate on the return, in a manner prescribed by the tax administrator, whether the applicable individual wishes to opt out of being contacted directly by the Rhode Island health benefits exchange about enrollment in health coverage. The notice to opt out shall be presented in a clear, conspicuous, and prominent manner on the return and explained using plain language.

2. Amend the privacy and security language on Page 4, lines 6-11 as follows:

(5) Privacy and Security. The Rhode Island health benefits exchange and the tax administrator shall develop a detailed set of data privacy and data security safeguards to govern the conveyance, storage and use of data between their agencies under this section and the sharing of the data with any contractors hired to implement this provision. The safeguards shall comport, at a minimum, with the standards contained in 45 CFR 155.260, and shall further require audit logging of all access to the tax information. Contractors shall confirm their compliance with these standards in writing. With respect to information disclosed by the tax administrator to the Rhode Island health benefits exchange pursuant to this subsection, the Rhode Island health benefits exchange, its officers, employees, and contractors, shall be subject to § 44-30-95(c).