

# Texas Workforce Press Release

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**FOR IMMEDIATE RELEASE**

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## **IRS Expands Data Sharing with Texas to Uncover Business Tax Schemes**

AUSTIN – The Texas Workforce Commission (TWC) joined 28 other state workforce agencies entering into an information exchange agreement with the U.S. Internal Revenue Service (IRS) to identify employers who fail to properly pay state Unemployment Insurance (UI) taxes. The Questionable Employment Tax Practices (QETP) initiative provides a centralized, uniform means for the IRS and state employment officials to exchange data to identify schemes or tax practices designed to evade state and/or federal employment or unemployment taxes. The new initiative expands on existing data sharing efforts between the IRS and TWC.

“The QETP agreement broadens the scope of existing data sharing activities between TWC and IRS, and provides another effective tool to ensure that all employers meet their UI tax obligations,” said Larry Temple, TWC Executive Director and President of NASWA (National Association of State Workforce Agencies) while speaking at this week’s signing ceremony in Washington D.C.

The first of its kind, the QETP agreement provides a centralized mechanism for IRS and state workforce agencies to exchange employment tax data. The agreement also encourages coordinated outreach and education activities to help the greatest number of businesses voluntarily meet their tax responsibilities.

Questionable Employment Tax Practices under which an employer may not be properly paying state UI taxes include:

- A business may be registered with the federal government, but not with the state government.
- A company maybe registered at the federal level as a business with employees, but not registered at the state level.
- An employer may misclassify employees as independent contractors when they should be classified as employees and be subject to tax assessment.

TWC collects taxes from employers to fund UI benefits for workers who become unemployed through no fault of their own, but are still seeking work.

The agency encourages all Texas employers to learn about the specific rules outlined in the law and to contact the agency’s Tax Department if they have any questions or concerns at (512) 463-2699, e-mail: [tax@twc.state.tx.us](mailto:tax@twc.state.tx.us) or online at [www.texasworkforce.org](http://www.texasworkforce.org).

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*The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the programs it offers in unison with its network of local workforce development boards, call (512) 463-8556 or visit [www.texasworkforce.org](http://www.texasworkforce.org).*