

AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5445
OFFERED BY MR. BRADY OF TEXAS

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE; ETC.

2 (a) **SHORT TITLE.**—This Act may be cited as the
3 “21st Century IRS Act”.

4 (b) **AMENDMENT OF 1986 CODE.**—Except as other-
5 wise expressly provided, whenever in this Act an amend-
6 ment or repeal is expressed in terms of an amendment
7 to, or repeal of, a section or other provision, the reference
8 shall be considered to be made to a section or other provi-
9 sion of the Internal Revenue Code of 1986.

10 (c) **TABLE OF CONTENTS.**—The table of contents of
11 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—CYBERSECURITY AND IDENTITY PROTECTION

- Sec. 101. Public-private partnership to address identity theft refund fraud.
- Sec. 102. Recommendations of Electronic Tax Administration Advisory Committee regarding identity theft refund fraud.
- Sec. 103. Information sharing and analysis center.
- Sec. 104. Compliance by contractors with confidentiality safeguards.
- Sec. 105. Report on electronic payments.

TITLE II—DEVELOPMENT OF INFORMATION TECHNOLOGY

- Sec. 201. Management of Internal Revenue Service information technology.
- Sec. 202. Development of online accounts and portals.
- Sec. 203. Internet platform for Form 1099 filings.

TITLE III—MODERNIZATION OF CONSENT-BASED INCOME
VERIFICATION SYSTEM

- Sec. 301. Disclosure of taxpayer information for third-party income verification.
- Sec. 302. Limit redisclosures and uses of consent-based disclosures of tax return information.

TITLE IV—EXPANDED USE OF ELECTRONIC SYSTEMS

- Sec. 401. Electronic filing of returns.
- Sec. 402. Uniform standards for the use of electronic signatures for disclosure authorizations to, and other authorizations of, practitioners.
- Sec. 403. Payment of taxes by debit and credit cards.

1 **TITLE I—CYBERSECURITY AND**
2 **IDENTITY PROTECTION**

3 **SEC. 101. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS**
4 **IDENTITY THEFT REFUND FRAUD.**

5 The Secretary of the Treasury (or the Secretary's
6 delegate) shall work collaboratively with the public and
7 private sectors to protect taxpayers from identity theft re-
8 fund fraud.

9 **SEC. 102. RECOMMENDATIONS OF ELECTRONIC TAX AD-**
10 **MINISTRATION ADVISORY COMMITTEE RE-**
11 **GARDING IDENTITY THEFT REFUND FRAUD.**

12 The Secretary of the Treasury shall ensure that the
13 advisory group convened by the Secretary pursuant to sec-
14 tion 2001(b)(2) of the Internal Revenue Service Restruc-
15 turing and Reform Act of 1998 (commonly known as the
16 Electronic Tax Administration Advisory Committee) stud-
17 ies (including by providing organized public forums) and
18 makes recommendations to the Secretary regarding meth-
19 ods to prevent identity theft and refund fraud.

1 **SEC. 103. INFORMATION SHARING AND ANALYSIS CENTER.**

2 (a) IN GENERAL.—The Secretary of the Treasury (or
3 the Secretary’s delegate) may participate in an informa-
4 tion sharing and analysis center to centralize, standardize,
5 and enhance data compilation and analysis to facilitate
6 sharing actionable data and information with respect to
7 identity theft tax refund fraud.

8 (b) DEVELOPMENT OF PERFORMANCE METRICS.—
9 The Secretary of the Treasury (or the Secretary’s dele-
10 gate) shall develop metrics for measuring the success of
11 such center in detecting and preventing identity theft tax
12 refund fraud.

13 (c) DISCLOSURE.—

14 (1) IN GENERAL.—Section 6103(k) is amended
15 by adding at the end the following new paragraph:

16 “(13) DISCLOSURE OF RETURN INFORMATION
17 FOR PURPOSES OF CYBERSECURITY AND THE PRE-
18 VENTION OF IDENTITY THEFT TAX REFUND
19 FRAUD.—

20 “(A) IN GENERAL.—Under such proce-
21 dures and subject to such conditions as the Sec-
22 retary may prescribe, the Secretary may dis-
23 close specified return information to specified
24 ISAC participants to the extent that the Sec-
25 retary determines such disclosure is in further-
26 ance of effective Federal tax administration re-

1 lating to the detection or prevention of identity
2 theft tax refund fraud, validation of taxpayer
3 identity, authentication of taxpayer returns, or
4 detection or prevention of cybersecurity threats.

5 “(B) SPECIFIED ISAC PARTICIPANTS.—For
6 purposes of this paragraph—

7 “(i) IN GENERAL.—The term ‘speci-
8 fied ISAC participant’ means—

9 “(I) any person designated by
10 the Secretary as having primary re-
11 sponsibility for a function performed
12 with respect to the information shar-
13 ing and analysis center described in
14 section 403(a) of the 21st Century
15 IRS Act, and

16 “(II) any person subject to the
17 requirements of section 7216 and
18 which is a participant in such infor-
19 mation sharing and analysis center.

20 “(ii) INFORMATION SHARING AGREE-
21 MENT.—Such term shall not include any
22 person unless such person has entered into
23 a written agreement with the Secretary
24 setting forth the terms and conditions for
25 the disclosure of information to such per-

1 son under this paragraph, including re-
2 quirements regarding the protection and
3 safeguarding of such information by such
4 person.

5 “(C) SPECIFIED RETURN INFORMATION.—

6 For purposes of this paragraph, the term ‘spec-
7 ified return information’ means—

8 “(i) in the case of a return which is
9 in connection with a case of potential iden-
10 tity theft refund fraud—

11 “(I) in the case of such return
12 filed electronically, the internet pro-
13 tocol address, device identification,
14 email domain name, speed of comple-
15 tion, method of authentication, refund
16 method, and such other return infor-
17 mation related to the electronic filing
18 characteristics of such return as the
19 Secretary may identify for purposes of
20 this subclause, and

21 “(II) in the case of such return
22 prepared by a tax return preparer,
23 identifying information with respect to
24 such tax return preparer, including
25 the preparer taxpayer identification

1 number and electronic filer identifica-
2 tion number of such preparer,

3 “(ii) in the case of a return which is
4 in connection with a case of a identity
5 theft refund fraud which has been con-
6 firmed by the Secretary (pursuant to such
7 procedures as the Secretary may provide),
8 the information referred to in subclauses
9 (I) and (II) of clause (i), the name and
10 taxpayer identification number of the tax-
11 payer as it appears on the return, and any
12 bank account and routing information pro-
13 vided for making a refund in connection
14 with such return, and

15 “(iii) in the case of any cybersecurity
16 threat to the Internal Revenue Service, in-
17 formation similar to the information de-
18 scribed in subclauses (I) and (II) of clause
19 (i) with respect to such threat.

20 “(D) RESTRICTION ON USE OF DISCLOSED
21 INFORMATION.—

22 “(i) DESIGNATED THIRD PARTIES.—
23 Any return information received by a per-
24 son described in subparagraph (B)(i)(I)

1 shall be used only for the purposes of and
2 to the extent necessary in—

3 “(I) performing the function such
4 person is designated to perform under
5 such subparagraph,

6 “(II) facilitating disclosures au-
7 thORIZED under subparagraph (A) to
8 persons described in subparagraph
9 (B)(i)(II), and

10 “(III) facilitating disclosures au-
11 thORIZED under subsection (d) to par-
12 ticipants in such information sharing
13 and analysis center.

14 “(ii) RETURN PREPARERS.—Any re-
15 turn information received by a person de-
16 scribed in subparagraph (B)(i)(II) shall be
17 treated for purposes of section 7216 as in-
18 formation furnished to such person for, or
19 in connection with, the preparation of a re-
20 turn of the tax imposed under chapter 1.

21 “(E) DATA PROTECTION AND SAFE-
22 GUARDS.—Return information disclosed under
23 this paragraph shall be subject to such protec-
24 tions and safeguards as the Secretary may re-
25 quire in regulations or other guidance or in the

1 written agreement referred to in subparagraph
2 (B)(ii). Such written agreement shall include a
3 requirement that any unauthorized access to in-
4 formation disclosed under this paragraph, and
5 any breach of any system in which such infor-
6 mation is held, be reported to the Treasury In-
7 spector General for Tax Administration.”.

8 (2) APPLICATION OF CIVIL AND CRIMINAL PEN-
9 ALTIES.—

10 (A) Section 6103(a)(3) is amended by
11 striking “subsection (k)(10)” and inserting
12 “paragraph (10) or (13) of subsection (k)”.

13 (B) Section 7213(a)(2) is amended by in-
14 serting “or (13)” after “(k)(10)”.

15 **SEC. 104. COMPLIANCE BY CONTRACTORS WITH CONFIDEN-**
16 **TIALITY SAFEGUARDS.**

17 (a) IN GENERAL.—Section 6103(p) is amended by
18 adding at the end the following new paragraph:

19 “(9) DISCLOSURE TO CONTRACTORS AND
20 OTHER AGENTS.—Notwithstanding any other provi-
21 sion of this section, no return or return information
22 shall be disclosed to any contractor or other agent
23 of a Federal, State, or local agency unless such
24 agency, to the satisfaction of the Secretary—

1 “(A) has requirements in effect which re-
2 quire each such contractor or other agent which
3 would have access to returns or return informa-
4 tion to provide safeguards (within the meaning
5 of paragraph (4)) to protect the confidentiality
6 of such returns or return information,

7 “(B) agrees to conduct an on-site review
8 every 3 years (or a mid-point review in the case
9 of contracts or agreements of less than 3 years
10 in duration) of each contractor or other agent
11 to determine compliance with such require-
12 ments,

13 “(C) submits the findings of the most re-
14 cent review conducted under subparagraph (B)
15 to the Secretary as part of the report required
16 by paragraph (4)(E), and

17 “(D) certifies to the Secretary for the most
18 recent annual period that such contractor or
19 other agent is in compliance with all such re-
20 quirements.

21 The certification required by subparagraph (D) shall
22 include the name and address of each contractor and
23 other agent, a description of the contract or agree-
24 ment with such contractor or other agent, and the
25 duration of such contract or agreement. The require-

1 ments of this paragraph shall not apply to disclo-
2 sures pursuant to subsection (n) for purposes of
3 Federal tax administration.”.

4 (b) CONFORMING AMENDMENT.—Section
5 6103(p)(8)(B) is amended by inserting “or paragraph
6 (9)” after “subparagraph (A)”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to disclosures made after Decem-
9 ber 31, 2022.

10 **SEC. 105. REPORT ON ELECTRONIC PAYMENTS.**

11 Not later than 2 years after the date of the enact-
12 ment of this Act, the Secretary (or the Secretary’s dele-
13 gate), in coordination with the Bureau of Fiscal Service
14 and the Internal Revenue Service, and in consultation with
15 private sector financial institutions, shall submit a written
16 report to Congress describing how the government can uti-
17 lize new payment platforms to increase the number of tax
18 refunds paid by electronic funds transfer. Such report
19 shall weigh the interests of reducing identity theft tax re-
20 fund fraud, reducing the Federal Government’s costs in
21 delivering tax refunds, the costs and any associated fees
22 charged to taxpayers (including monthly and point-of-serv-
23 ice fees) to access their tax refunds, the impact on individ-
24 uals who do not have access to financial accounts or insti-
25 tutions, and ensuring payments are made to accounts at

1 a financial institution that complies with section 21 of the
2 Federal Deposit Insurance Act, chapter 2 of title I of Pub-
3 lic Law 91-508, and subchapter II of chapter 53 of title
4 31, United States Code (commonly referred to collectively
5 as the “Bank Secrecy Act”) and the USA PATRIOT Act.
6 Such report shall include any legislative recommendations
7 necessary to accomplish these goals.

8 **TITLE II—DEVELOPMENT OF**
9 **INFORMATION TECHNOLOGY**

10 **SEC. 201. MANAGEMENT OF INTERNAL REVENUE SERVICE**
11 **INFORMATION TECHNOLOGY.**

12 (a) DUTIES AND RESPONSIBILITIES OF INTERNAL
13 REVENUE SERVICE CHIEF INFORMATION OFFICER.—Sec-
14 tion 7803 is amended by adding at the end the following
15 new subsection:

16 “(f) INTERNAL REVENUE SERVICE CHIEF INFORMA-
17 TION OFFICER.—

18 “(1) IN GENERAL.—There shall be in the Inter-
19 nal Revenue Service an Internal Revenue Service
20 Chief Information Officer (hereafter referred to in
21 this subsection as the ‘IRS CIO’) who shall be ap-
22 pointed by the Administrator of the Internal Rev-
23 enue Service.

24 “(2) CENTRALIZED RESPONSIBILITY FOR IN-
25 TERNAL REVENUE SERVICE INFORMATION TECH-

1 NOLOGY.—The Administrator of the Internal Rev-
2 enue Service (and the Secretary) shall act through
3 the IRS CIO with respect to all development, imple-
4 mentation, and maintenance of information tech-
5 nology for the Internal Revenue Service. Any ref-
6 erence in this subsection to the IRS CIO which di-
7 rects the IRS CIO to take any action, or to assume
8 any responsibility, shall be treated as a reference to
9 the Administrator of the Internal Revenue Service
10 acting through the IRS CIO.

11 “(3) GENERAL DUTIES AND RESPONSIBIL-
12 ITIES.—The IRS CIO shall—

13 “(A) be responsible for the development,
14 implementation, and maintenance of informa-
15 tion technology for the Internal Revenue Serv-
16 ice,

17 “(B) ensure that the information tech-
18 nology of the Internal Revenue Service is secure
19 and integrated,

20 “(C) maintain operational control of all in-
21 formation technology for the Internal Revenue
22 Service,

23 “(D) be the principal advocate for the in-
24 formation technology needs of the Internal Rev-
25 enue Service, and

1 “(E) consult with the Chief Procurement
2 Officer of the Internal Revenue Service to en-
3 sure that the information technology acquired
4 for the Internal Revenue Service is consistent
5 with—

6 “(i) the goals and requirements speci-
7 fied in subparagraphs (A) through (D),
8 and

9 “(ii) the strategic plan developed
10 under paragraph (4).

11 “(4) STRATEGIC PLAN.—

12 “(A) IN GENERAL.—The IRS CIO shall
13 develop and implement a multiyear strategic
14 plan for the information technology needs of the
15 Internal Revenue Service. Such plan shall—

16 “(i) include performance measure-
17 ments of such technology and of the imple-
18 mentation of such plan,

19 “(ii) include a plan for an integrated
20 enterprise architecture of the information
21 technology of the Internal Revenue Service,

22 “(iii) include and take into account
23 the resources needed to accomplish such
24 plan,

1 “(iv) take into account planned major
2 acquisitions of information technology by
3 the Internal Revenue Service, including
4 Customer Account Data Engine 2 and the
5 Enterprise Case Management System, and

6 “(v) align with the needs and stra-
7 tegic plan of the Internal Revenue Service.

8 “(B) PLAN UPDATES.—The IRS CIO
9 shall, not less frequently than annually, review
10 and update the strategic plan under subpara-
11 graph (A) (including the plan for an integrated
12 enterprise architecture described in subpara-
13 graph (A)(ii)) to take into account the develop-
14 ment of new information technology and the
15 needs of the Internal Revenue Service.

16 “(5) SCOPE OF AUTHORITY.—

17 “(A) INFORMATION TECHNOLOGY.—For
18 purposes of this subsection, the term ‘informa-
19 tion technology’ has the meaning given such
20 term by section 11101 of title 40, United States
21 Code.

22 “(B) INTERNAL REVENUE SERVICE.—Any
23 reference in this subsection to the Internal Rev-
24 enue Service includes a reference to all compo-

1 nents of the Internal Revenue Service, includ-
2 ing—

3 “(i) the Office of the Taxpayer Advo-
4 cate,

5 “(ii) the Criminal Investigation Divi-
6 sion of the Internal Revenue Service, and

7 “(iii) except as otherwise provided by
8 the Secretary with respect to information
9 technology related to matters described in
10 subsection (b)(3)(B), the Office of the
11 Chief Counsel.”.

12 (b) INDEPENDENT VERIFICATION AND VALIDATION
13 OF THE CUSTOMER ACCOUNT DATA ENGINE 2 AND EN-
14 TERPRISE CASE MANAGEMENT SYSTEM.—

15 (1) IN GENERAL.—The Administrator of the In-
16 ternal Revenue Service shall enter into a contract
17 with an independent reviewer to verify and validate
18 the implementation plans (including the performance
19 milestones and cost estimates included in such
20 plans) developed for the Customer Account Data
21 Engine 2 and the Enterprise Case Management Sys-
22 tem.

23 (2) DEADLINE FOR COMPLETION.— Such con-
24 tract shall require that such verification and valida-

1 tion be completed not later than the date which is
2 1 year after the date of the enactment of this Act.

3 (3) APPLICATION TO PHASES OF CADE 2.—

4 (A) IN GENERAL.—Paragraphs (1) and (2)
5 shall not apply to phase 1 of the Customer Ac-
6 count Data Engine 2 and shall apply separately
7 to each other phase.

8 (B) DEADLINE FOR COMPLETING
9 PLANS.—Not later than 1 year after the date of
10 the enactment of this Act, the Administrator of
11 the Internal Revenue Service shall complete the
12 development of plans for all phases of the Cus-
13 tomer Account Data Engine 2.

14 (C) DEADLINE FOR COMPLETION OF
15 VERIFICATION AND VALIDATION OF PLANS.—In
16 the case of any phase after phase 2 of the Cus-
17 tomer Account Data Engine 2, paragraph (2)
18 shall be applied by substituting “the date on
19 which the plan for such phase was completed”
20 for “the date of the enactment of this Act”.

21 (c) COORDINATION OF IRS CIO AND CHIEF PRO-
22 CUREMENT OFFICER OF THE INTERNAL REVENUE SERV-
23 ICE.—

24 (1) IN GENERAL.—The Chief Procurement Offi-
25 cer of the Internal Revenue Service shall—

1 (A) identify all significant IRS information
2 technology acquisitions and provide written no-
3 tification to the Internal Revenue Service Chief
4 Information Officer (hereafter referred to in
5 this subsection as the “IRS CIO”) of each such
6 acquisition in advance of such acquisition, and

7 (B) regularly consult with the IRS CIO re-
8 garding acquisitions of information technology
9 for the Internal Revenue Service, including
10 meeting with the IRS CIO regarding such ac-
11 quisitions upon request.

12 (2) SIGNIFICANT IRS INFORMATION TECH-
13 NOLOGY ACQUISITIONS.—For purposes of this sub-
14 section, the term “significant IRS information tech-
15 nology acquisitions” means—

16 (A) any acquisition of information tech-
17 nology for the Internal Revenue Service in ex-
18 cess of \$1,000,000, and

19 (B) such other acquisitions of information
20 technology for the Internal Revenue Service (or
21 categories of such acquisitions) as the IRS CIO,
22 in consultation with the Chief Procurement Of-
23 ficer of the Internal Revenue Service, may iden-
24 tify.

1 (3) SCOPE.—Terms used in this subsection
2 which are also used in section 7803(f) of the Inter-
3 nal Revenue Code of 1986 (as amended by sub-
4 section (a)) shall have the same meaning as when
5 used in such section.

6 **SEC. 202. DEVELOPMENT OF ONLINE ACCOUNTS AND POR-**
7 **TALS.**

8 (a) IN GENERAL.—The Secretary of the Treasury or
9 the Secretary’s delegate (hereafter referred to in this sec-
10 tion as the “Secretary”) shall—

11 (1) develop secure individualized online ac-
12 counts to provide services to taxpayers and their
13 designated return preparers, including obtaining tax-
14 payer information, making payment of taxes, shar-
15 ing documentation, and (to the extent feasible) ad-
16 dressing and correcting issues, and

17 (2) develop a process for the acceptance of tax
18 forms, and supporting documentation, in digital or
19 other electronic format.

20 (b) ELECTRONIC SERVICES TREATED AS SUPPLE-
21 MENTAL; APPLICATION OF SECURITY STANDARDS.—The
22 Secretary shall ensure that the processes described in sub-
23 section (a)—

24 (1) are a supplement to, and not a replacement
25 for, other services provided by the Internal Revenue

1 Service to taxpayers, including face-to-face taxpayer
2 assistance and services provided by phone, and

3 (2) comply with applicable security standards
4 and guidelines.

5 (c) PROCESS FOR DEVELOPING ONLINE AC-
6 COUNTS.—

7 (1) DEVELOPMENT OF PLAN.—Not later than 1
8 year after the date of the enactment of this Act, the
9 Secretary shall submit to Congress a written report
10 describing the Secretary’s plan for developing the se-
11 cure individualized online accounts described in sub-
12 section (a)(1). Such plan shall address the feasibility
13 of taxpayers addressing and correcting issues
14 through such accounts and whether access to such
15 accounts should be restricted and in what manner.

16 (2) DEADLINE.—The Secretary shall make
17 every reasonable effort to make the secure individ-
18 ualized online accounts described in subsection
19 (a)(1) available to taxpayers by December 31, 2023.

20 **SEC. 203. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

21 (a) IN GENERAL.—Not later than January 1, 2023,
22 the Secretary of the Treasury or the Secretary’s delegate
23 (hereafter referred to in this section as the “Secretary”)
24 shall make available an Internet website or other elec-
25 tronic media, with a user interface and functionality simi-

1 lar to the Business Services Online Suite of Services pro-
2 vided by the Social Security Administration, that will pro-
3 vide access to resources and guidance provided by the In-
4 ternal Revenue Service and will allow persons to—

5 (1) prepare and file Forms 1099,

6 (2) prepare Forms 1099 for distribution to re-
7 cipients other than the Internal Revenue Service,
8 and

9 (3) maintain a record of completed and sub-
10 mitted Forms 1099.

11 (b) ELECTRONIC SERVICES TREATED AS SUPPLE-
12 MENTAL; APPLICATION OF SECURITY STANDARDS.—The
13 Secretary shall ensure that the services described in sub-
14 section (a)—

15 (1) are a supplement to, and not a replacement
16 for, other services provided by the Internal Revenue
17 Service to taxpayers, and

18 (2) comply with applicable security standards
19 and guidelines.

1 **TITLE III—MODERNIZATION OF**
2 **CONSENT-BASED INCOME**
3 **VERIFICATION SYSTEM**

4 **SEC. 301. DISCLOSURE OF TAXPAYER INFORMATION FOR**
5 **THIRD-PARTY INCOME VERIFICATION.**

6 (a) IN GENERAL.—Not later than 1 year after the
7 close of the 2-year period described in subsection (d)(1),
8 the Secretary of the Treasury or the Secretary’s delegate
9 (hereafter referred to in this section as the “Secretary”)
10 shall implement a program to ensure that any qualified
11 disclosure—

12 (1) is fully automated and accomplished
13 through the Internet, and

14 (2) is accomplished in as close to real-time as
15 is practicable.

16 (b) QUALIFIED DISCLOSURE.—For purposes of this
17 section, the term “qualified disclosure” means a disclosure
18 under section 6103(c) of the Internal Revenue Code of
19 1986 of returns or return information by the Secretary
20 to a person seeking to verify the income or creditworthi-
21 ness of a taxpayer who is a borrower in the process of
22 a loan application.

23 (c) APPLICATION OF SECURITY STANDARDS.—The
24 Secretary shall ensure that the program described in sub-

1 section (a) complies with applicable security standards and
2 guidelines.

3 (d) USER FEE.—

4 (1) IN GENERAL.—During the 2-year period be-
5 ginning on the first day of the 6th calendar month
6 beginning after the date of the enactment of this
7 Act, the Secretary shall assess and collect a fee for
8 qualified disclosures (in addition to any other fee as-
9 sessed and collected for such disclosures) at such
10 rates as the Secretary determines are sufficient to
11 cover the costs related to implementing the program
12 described in subsection (a), including the costs of
13 any necessary infrastructure or technology.

14 (2) DEPOSIT OF COLLECTIONS.—Amounts re-
15 ceived from fees assessed and collected under para-
16 graph (1) shall be deposited in, and credited to, an
17 account solely for the purpose of carrying out the
18 activities described in subsection (a). Such amounts
19 shall be available to carry out such activities without
20 need of further appropriation and without fiscal year
21 limitation.

1 **SEC. 302. LIMIT REDISCLOSURES AND USES OF CONSENT-**
2 **BASED DISCLOSURES OF TAX RETURN INFOR-**
3 **MATION.**

4 (a) IN GENERAL.—Section 6103(e) is amended by
5 adding at the end the following: “Persons designated by
6 the taxpayer under this subsection to receive return infor-
7 mation shall not use the information for any purpose other
8 than the express purpose for which consent was granted
9 and shall not disclose return information to any other per-
10 son without the express permission of, or request by, the
11 taxpayer.”.

12 (b) APPLICATION OF PENALTIES.—Section
13 6103(a)(3) is amended by inserting “subsection (c),” after
14 “return information under”.

15 (c) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to disclosures made after the date
17 of the enactment of this Act.

18 **TITLE IV—EXPANDED USE OF**
19 **ELECTRONIC SYSTEMS**

20 **SEC. 401. ELECTRONIC FILING OF RETURNS.**

21 (a) IN GENERAL.—Section 6011(e)(2)(A) is amended
22 by striking “250” and inserting “the applicable number
23 of”.

24 (b) APPLICABLE NUMBER.—Section 6011(e) is
25 amended by adding at the end the following new para-
26 graph:

1 “(5) APPLICABLE NUMBER.—For purposes of
2 paragraph (2)(A), the applicable number shall be de-
3 termined in accordance with the following table:

4 “(A) in the case of calendar years before
5 2020, 250,

6 “(B) in the case of calendar year 2020,
7 100, and

8 “(C) in the case of calendar years after
9 2020, 10.”.

10 (c) RETURNS FILED BY A TAX RETURN PRE-
11 PARER.—Section 6011(e)(3) is amended by adding at the
12 end the following new subparagraph:

13 “(D) EXCEPTION FOR CERTAIN PREPARES
14 LOCATED IN AREAS WITHOUT INTERNET AC-
15 CESS.—The Secretary may waive the require-
16 ment of subparagraph (A) if the Secretary de-
17 termines, on the basis of an application by the
18 tax return preparer, that the preparer cannot
19 meet such requirement by reason of being lo-
20 cated in a geographic area which does not have
21 access to internet service (other than dial-up or
22 satellite service).”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall take effect on the date of the enactment
25 of this Act.

1 **SEC. 402. UNIFORM STANDARDS FOR THE USE OF ELEC-**
2 **TRONIC SIGNATURES FOR DISCLOSURE AU-**
3 **THORIZATIONS TO, AND OTHER AUTHORIZA-**
4 **TIONS OF, PRACTITIONERS.**

5 Section 6061(b)(3) is amended to read as follows:

6 “(3) PUBLISHED GUIDANCE.—

7 “(A) IN GENERAL.—The Secretary shall
8 publish guidance as appropriate to define and
9 implement any waiver of the signature require-
10 ments or any method adopted under paragraph
11 (1).

12 “(B) ELECTRONIC SIGNATURES FOR DIS-
13 CLOSURE AUTHORIZATIONS TO, AND OTHER AU-
14 THORIZATIONS OF, PRACTITIONERS.—Not later
15 than 6 months after the date of the enactment
16 of this subparagraph, the Secretary shall pub-
17 lish guidance to establish uniform standards
18 and procedures for the acceptance of taxpayers’
19 signatures appearing in electronic form with re-
20 spect to any request for disclosure of a tax-
21 payer’s return or return information under sec-
22 tion 6103(c) to a practitioner or any power of
23 attorney granted by a taxpayer to a practi-
24 tioner.

25 “(C) PRACTITIONER.—For purposes of
26 subparagraph (B), the term ‘practitioner’

1 means any individual in good standing who is
2 regulated under section 330 of title 31, United
3 States Code.”.

4 **SEC. 403. PAYMENT OF TAXES BY DEBIT AND CREDIT**
5 **CARDS.**

6 (a) IN GENERAL.—Section 6311(d)(2) is amended by
7 adding at the end the following: “The preceding sentence
8 shall not apply to the extent that the Secretary ensures
9 that any such fee or other consideration is fully recouped
10 by the Secretary in the form of fees paid to the Secretary
11 by persons paying taxes imposed under subtitle A with
12 credit, debit, or charge cards pursuant to such contract.
13 Notwithstanding the preceding sentence, the Secretary
14 shall seek to minimize the amount of any fee or other con-
15 sideration that the Secretary pays under any such con-
16 tract.”.

