

**AMENDMENT IN THE NATURE OF A SUBSTITUTE  
OFFERED BY MR. NEAL OF MASSACHUSETTS**

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 “Taxpayer First Act of 2019”.

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 for  
11 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—PUTTING TAXPAYERS FIRST

Subtitle A—Independent Appeals Process

Sec. 1001. Establishment of Internal Revenue Service Independent Office of Appeals.

Subtitle B—Improved Service

Sec. 1101. Comprehensive customer service strategy.

Sec. 1102. IRS Free File Program.

Sec. 1103. Low-income exception for payments otherwise required in connection with a submission of an offer-in-compromise.

Subtitle C—Sensible Enforcement

- Sec. 1201. Internal Revenue Service seizure requirements with respect to structuring transactions.
- Sec. 1202. Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.
- Sec. 1203. Clarification of equitable relief from joint liability.
- Sec. 1204. Modification of procedures for issuance of third-party summons.
- Sec. 1205. Private debt collection and special compliance personnel program.
- Sec. 1206. Reform of notice of contact of third parties.
- Sec. 1207. Modification of authority to issue designated summons.
- Sec. 1208. Limitation on access of non-Internal Revenue Service employees to returns and return information.

#### Subtitle D—Organizational Modernization

- Sec. 1301. Office of the National Taxpayer Advocate.
- Sec. 1302. Modernization of Internal Revenue Service organizational structure.

#### Subtitle E—Other Provisions

- Sec. 1401. Return preparation programs for applicable taxpayers.
- Sec. 1402. Provision of information regarding low-income taxpayer clinics.
- Sec. 1403. Notice from IRS regarding closure of taxpayer assistance centers.
- Sec. 1404. Rules for seizure and sale of perishable goods restricted to only perishable goods.
- Sec. 1405. Whistleblower reforms.
- Sec. 1406. Customer service information.
- Sec. 1407. Misdirected tax refund deposits.

### TITLE II—21ST CENTURY IRS

#### Subtitle A—Cybersecurity and Identity Protection

- Sec. 2001. Public-private partnership to address identity theft refund fraud.
- Sec. 2002. Recommendations of Electronic Tax Administration Advisory Committee regarding identity theft refund fraud.
- Sec. 2003. Information sharing and analysis center.
- Sec. 2004. Compliance by contractors with confidentiality safeguards.
- Sec. 2005. Report on electronic payments.
- Sec. 2006. Identity protection personal identification numbers.
- Sec. 2007. Single point of contact for tax-related identity theft victims.
- Sec. 2008. Notification of suspected identity theft.
- Sec. 2009. Guidelines for stolen identity refund fraud cases.
- Sec. 2010. Increased penalty for improper disclosure or use of information by preparers of returns.

#### Subtitle B—Development of Information Technology

- Sec. 2101. Management of Internal Revenue Service information technology.
- Sec. 2102. Internet platform for Form 1099 filings.
- Sec. 2103. Streamlined critical pay authority for information technology positions.

#### Subtitle C—Modernization of Consent-Based Income Verification System

- Sec. 2201. Disclosure of taxpayer information for third-party income verification.
- Sec. 2202. Limit redisclosures and uses of consent-based disclosures of tax return information.

Subtitle D—Expanded Use of Electronic Systems

- Sec. 2301. Electronic filing of returns.
- Sec. 2302. Uniform standards for the use of electronic signatures for disclosure authorizations to, and other authorizations of, practitioners.
- Sec. 2303. Payment of taxes by debit and credit cards.
- Sec. 2304. Authentication of users of electronic services accounts.

Subtitle E—Other Provisions

- Sec. 2401. Repeal of provision regarding certain tax compliance procedures and reports.
- Sec. 2402. Comprehensive training strategy.

TITLE III—MISCELLANEOUS PROVISIONS

Subtitle A—Reform of Laws Governing Internal Revenue Service Employees

- Sec. 3001. Prohibition on rehiring any employee of the Internal Revenue Service who was involuntarily separated from service for misconduct.
- Sec. 3002. Notification of unauthorized inspection or disclosure of returns and return information.

Subtitle B—Provisions Relating to Exempt Organizations

- Sec. 3101. Mandatory e-filing by exempt organizations.
- Sec. 3102. Notice required before revocation of tax-exempt status for failure to file return.

Subtitle C—Revenue Provision

- Sec. 3201. Increase in penalty for failure to file.

1    **TITLE I—PUTTING TAXPAYERS**  
 2                                    **FIRST**  
 3    **Subtitle A—Independent Appeals**  
 4                                    **Process**

5    **SEC. 1001. ESTABLISHMENT OF INTERNAL REVENUE SERV-**  
 6                                    **ICE INDEPENDENT OFFICE OF APPEALS.**

7           (a) IN GENERAL.—Section 7803 is amended by add-  
 8 ing at the end the following new subsection:

9           “(e) INDEPENDENT OFFICE OF APPEALS.—

10                   “(1) ESTABLISHMENT.—There is established in  
 11           the Internal Revenue Service an office to be known

1 as the ‘Internal Revenue Service Independent Office  
2 of Appeals’.

3 “(2) CHIEF OF APPEALS.—

4 “(A) IN GENERAL.—The Internal Revenue  
5 Service Independent Office of Appeals shall be  
6 under the supervision and direction of an offi-  
7 cial to be known as the ‘Chief of Appeals’. The  
8 Chief of Appeals shall report directly to the  
9 Commissioner of Internal Revenue and shall be  
10 entitled to compensation at the same rate as  
11 the highest rate of basic pay established for the  
12 Senior Executive Service under section 5382 of  
13 title 5, United States Code.

14 “(B) APPOINTMENT.—The Chief of Ap-  
15 peals shall be appointed by the Commissioner of  
16 Internal Revenue without regard to the provi-  
17 sions of title 5, United States Code, relating to  
18 appointments in the competitive service or the  
19 Senior Executive Service.

20 “(C) QUALIFICATIONS.—An individual ap-  
21 pointed under subparagraph (B) shall have ex-  
22 perience and expertise in—

23 “(i) administration of, and compliance  
24 with, Federal tax laws,

1                   “(ii) a broad range of compliance  
2                   cases, and

3                   “(iii) management of large service or-  
4                   ganizations.

5                   “(3) PURPOSES AND DUTIES OF OFFICE.—It  
6                   shall be the function of the Internal Revenue Service  
7                   Independent Office of Appeals to resolve Federal tax  
8                   controversies without litigation on a basis which—

9                   “(A) is fair and impartial to both the Gov-  
10                  ernment and the taxpayer,

11                  “(B) promotes a consistent application and  
12                  interpretation of, and voluntary compliance  
13                  with, the Federal tax laws, and

14                  “(C) enhances public confidence in the in-  
15                  tegrity and efficiency of the Internal Revenue  
16                  Service.

17                  “(4) RIGHT OF APPEAL.—The resolution proc-  
18                  ess described in paragraph (3) shall be generally  
19                  available to all taxpayers.

20                  “(5) LIMITATION ON DESIGNATION OF CASES  
21                  AS NOT ELIGIBLE FOR REFERRAL TO INDEPENDENT  
22                  OFFICE OF APPEALS.—

23                  “(A) IN GENERAL.—If any taxpayer which  
24                  is in receipt of a notice of deficiency authorized  
25                  under section 6212 requests referral to the In-

1           ternal Revenue Service Independent Office of  
2           Appeals and such request is denied, the Com-  
3           missioner of Internal Revenue shall provide  
4           such taxpayer a written notice which—

5                   “(i) provides a detailed description of  
6                   the facts involved, the basis for the deci-  
7                   sion to deny the request, and a detailed ex-  
8                   planation of how the basis of such decision  
9                   applies to such facts, and

10                   “(ii) describes the procedures pre-  
11                   scribed under subparagraph (C) for pro-  
12                   testing the decision to deny the request.

13                   “(B) REPORT TO CONGRESS.—The Com-  
14                   missioner of Internal Revenue shall submit a  
15                   written report to Congress on an annual basis  
16                   which includes the number of requests described  
17                   in subparagraph (A) which were denied and the  
18                   reasons (described by category) that such re-  
19                   quests were denied.

20                   “(C) PROCEDURES FOR PROTESTING DE-  
21                   NIAL OF REQUEST.—The Commissioner of In-  
22                   ternal Revenue shall prescribe procedures for  
23                   protesting to the Commissioner of Internal Rev-  
24                   enue a denial of a request described in subpara-  
25                   graph (A).

1           “(D) NOT APPLICABLE TO FRIVOLOUS PO-  
2           SITIONS.—This paragraph shall not apply to a  
3           request for referral to the Internal Revenue  
4           Service Independent Office of Appeals which is  
5           denied on the basis that the issue involved is a  
6           frivolous position (within the meaning of section  
7           6702(c)).

8           “(6) STAFF.—

9           “(A) IN GENERAL.—All personnel in the  
10          Internal Revenue Service Independent Office of  
11          Appeals shall report to the Chief of Appeals.

12          “(B) ACCESS TO STAFF OF OFFICE OF  
13          THE CHIEF COUNSEL.—The Chief of Appeals  
14          shall have authority to obtain legal assistance  
15          and advice from the staff of the Office of the  
16          Chief Counsel. The Chief Counsel shall ensure,  
17          to the extent practicable, that such assistance  
18          and advice is provided by staff of the Office of  
19          the Chief Counsel who were not involved in the  
20          case with respect to which such assistance and  
21          advice is sought and who are not involved in  
22          preparing such case for litigation.

23          “(7) ACCESS TO CASE FILES.—

24          “(A) IN GENERAL.—In any case in which  
25          a conference with the Internal Revenue Service

1 Independent Office of Appeals has been sched-  
2 uled upon request of a specified taxpayer, the  
3 Chief of Appeals shall ensure that such tax-  
4 payer is provided access to the nonprivileged  
5 portions of the case file on record regarding the  
6 disputed issues (other than documents provided  
7 by the taxpayer to the Internal Revenue Serv-  
8 ice) not later than 10 days before the date of  
9 such conference.

10 “(B) TAXPAYER ELECTION TO EXPEDITE  
11 CONFERENCE.—If the taxpayer so elects, sub-  
12 paragraph (A) shall be applied by substituting  
13 ‘the date of such conference’ for ‘10 days before  
14 the date of such conference’.

15 “(C) SPECIFIED TAXPAYER.—For pur-  
16 poses of this paragraph—

17 “(i) IN GENERAL.—The term ‘speci-  
18 fied taxpayer’ means—

19 “(I) in the case of any taxpayer  
20 who is a natural person, a taxpayer  
21 whose adjusted gross income does not  
22 exceed \$400,000 for the taxable year  
23 to which the dispute relates, and

24 “(II) in the case of any other  
25 taxpayer, a taxpayer whose gross re-



1 receipts do not exceed \$5,000,000 for  
2 the taxable year to which the dispute  
3 relates.

4 “(ii) AGGREGATION RULE.—Rules  
5 similar to the rules of section 448(c)(2)  
6 shall apply for purposes of clause (i)(II).”.

7 (b) CONFORMING AMENDMENTS.—

8 (1) The following provisions are each amended  
9 by striking “Internal Revenue Service Office of Ap-  
10 peals” and inserting “Internal Revenue Service  
11 Independent Office of Appeals”:

12 (A) Section 6015(c)(4)(B)(ii)(I).

13 (B) Section 6320(b)(1).

14 (C) Subsections (b)(1) and (d)(3) of sec-  
15 tion 6330.

16 (D) Section 6603(d)(3)(B).

17 (E) Section 6621(c)(2)(A)(i).

18 (F) Section 7122(e)(2).

19 (G) Subsections (a), (b)(1), (b)(2), and  
20 (c)(1) of section 7123.

21 (H) Subsections (c)(7)(B)(i) and (g)(2)(A)  
22 of section 7430.

23 (I) Section 7522(b)(3).

24 (J) Section 7612(c)(2)(A).

1           (2) Section 7430(c)(2) is amended by striking  
2           “Internal Revenue Service Office of Appeals” each  
3           place it appears and inserting “Internal Revenue  
4           Service Independent Office of Appeals”.

5           (3) The heading of section 6330(d)(3) is  
6           amended by inserting “INDEPENDENT” after “IRS”.

7           (c) OTHER REFERENCES.—Any reference in any pro-  
8           vision of law, or regulation or other guidance, to the Inter-  
9           nal Revenue Service Office of Appeals shall be treated as  
10          a reference to the Internal Revenue Service Independent  
11          Office of Appeals.

12          (d) SAVINGS PROVISIONS.—Rules similar to the rules  
13          of paragraphs (2) through (6) of section 1001(b) of the  
14          Internal Revenue Service Restructuring and Reform Act  
15          of 1998 shall apply for purposes of this section (and the  
16          amendments made by this section).

17          (e) EFFECTIVE DATE.—

18               (1) IN GENERAL.—Except as otherwise pro-  
19               vided in this subsection, the amendments made by  
20               this section shall take effect on the date of the en-  
21               actment of this Act.

22               (2) ACCESS TO CASE FILES.—Section  
23               7803(e)(7) of the Internal Revenue Code of 1986, as  
24               added by subsection (a), shall apply to conferences

1 occurring after the date which is 1 year after the  
2 date of the enactment of this Act.

3 **Subtitle B—Improved Service**

4 **SEC. 1101. COMPREHENSIVE CUSTOMER SERVICE STRAT-**  
5 **EGY.**

6 (a) IN GENERAL.—Not later than the date which is  
7 1 year after the date of the enactment of this Act, the  
8 Secretary of the Treasury (or the Secretary's delegate)  
9 shall submit to Congress a written comprehensive cus-  
10 tomer service strategy for the Internal Revenue Service.  
11 Such strategy shall include—

12 (1) a plan to provide assistance to taxpayers  
13 that is secure, designed to meet reasonable taxpayer  
14 expectations, and adopts appropriate best practices  
15 of customer service provided in the private sector,  
16 including online services, telephone call back serv-  
17 ices, and training of employees providing customer  
18 services;

19 (2) a thorough assessment of the services that  
20 the Internal Revenue Service can co-locate with  
21 other Federal services or offer as self-service op-  
22 tions;

23 (3) proposals to improve Internal Revenue Serv-  
24 ice customer service in the short term (the current  
25 and following fiscal year), medium term (approx-

1 mately 3 to 5 fiscal years), and long term (approx-  
2 imately 10 fiscal years);

3 (4) a plan to update guidance and training ma-  
4 terials for customer service employees of the Internal  
5 Revenue Service, including the Internal Revenue  
6 Manual, to reflect such strategy; and

7 (5) identified metrics and benchmarks for quan-  
8 titatively measuring the progress of the Internal  
9 Revenue Service in implementing such strategy.

10 (b) **UPDATED GUIDANCE AND TRAINING MATE-**  
11 **RIALS.**—Not later than 2 years after the date of the enact-  
12 ment of this Act, the Secretary of the Treasury (or the  
13 Secretary’s delegate) shall make available the updated  
14 guidance and training materials described in subsection  
15 (a)(4) (including the Internal Revenue Manual). Such up-  
16 dated guidance and training materials (including the In-  
17 ternal Revenue Manual) shall be written in a manner so  
18 as to be easily understood by customer service employees  
19 of the Internal Revenue Service and shall provide clear  
20 instructions.

21 **SEC. 1102. IRS FREE FILE PROGRAM.**

22 (a) **IN GENERAL.**—

23 (1) The Secretary of the Treasury, or the Sec-  
24 retary’s delegate, shall continue to operate the IRS  
25 Free File Program as established by the Internal

1 Revenue Service and published in the Federal Reg-  
2 ister on November 4, 2002 (67 Fed. Reg. 67247),  
3 including any subsequent agreements and governing  
4 rules established pursuant thereto.

5 (2) The IRS Free File Program shall continue  
6 to provide free commercial-type online individual in-  
7 come tax preparation and electronic filing services to  
8 the lowest 70 percent of taxpayers by adjusted gross  
9 income. The number of taxpayers eligible to receive  
10 such services each year shall be calculated by the In-  
11 ternal Revenue Service annually based on prior year  
12 aggregate taxpayer adjusted gross income data.

13 (3) In addition to the services described in  
14 paragraph (2), and in the same manner, the IRS  
15 Free File Program shall continue to make available  
16 to all taxpayers (without regard to income) a basic,  
17 online electronic fillable forms utility.

18 (4) The IRS Free File Program shall continue  
19 to work cooperatively with the private sector to pro-  
20 vide the free individual income tax preparation and  
21 the electronic filing services described in paragraphs  
22 (2) and (3).

23 (5) The IRS Free File Program shall work co-  
24 operatively with State government agencies to en-  
25 hance and expand the use of the program to provide

1 needed benefits to the taxpayer while reducing the  
2 cost of processing returns.

3 (b) INNOVATIONS.—The Secretary of the Treasury,  
4 or the Secretary’s delegate, shall work with the private  
5 sector through the IRS Free File Program to identify and  
6 implement, consistent with applicable law, innovative new  
7 program features to improve and simplify the taxpayer’s  
8 experience with completing and filing individual income  
9 tax returns through voluntary compliance.

10 **SEC. 1103. LOW-INCOME EXCEPTION FOR PAYMENTS OTH-**  
11 **ERWISE REQUIRED IN CONNECTION WITH A**  
12 **SUBMISSION OF AN OFFER-IN-COMPROMISE.**

13 (a) IN GENERAL.—Section 7122(e) is amended by  
14 adding at the end the following new paragraph:

15 “(3) EXCEPTION FOR LOW-INCOME TAX-  
16 PAYERS.—Paragraph (1), and any user fee otherwise  
17 required in connection with the submission of an  
18 offer-in-compromise, shall not apply to any offer-in-  
19 compromise with respect to a taxpayer who is an in-  
20 dividual with adjusted gross income, as determined  
21 for the most recent taxable year for which such in-  
22 formation is available, which does not exceed 250  
23 percent of the applicable poverty level (as deter-  
24 mined by the Secretary).”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 this section shall apply to offers-in-compromise submitted  
3 after the date of the enactment of this Act.

## 4 **Subtitle C—Sensible Enforcement**

### 5 **SEC. 1201. INTERNAL REVENUE SERVICE SEIZURE RE-** 6 **QUIREMENTS WITH RESPECT TO STRUC-** 7 **TURING TRANSACTIONS.**

8 Section 5317(c)(2) of title 31, United States Code,  
9 is amended—

10 (1) by striking “Any property” and inserting  
11 the following:

12 “(A) IN GENERAL.—Any property”; and

13 (2) by adding at the end the following:

14 “(B) INTERNAL REVENUE SERVICE SEI-  
15 ZURE REQUIREMENTS WITH RESPECT TO  
16 STRUCTURING TRANSACTIONS.—

17 “(i) PROPERTY DERIVED FROM AN IL-  
18 LEGAL SOURCE.—Property may only be  
19 seized by the Internal Revenue Service  
20 pursuant to subparagraph (A) by reason of  
21 a claimed violation of section 5324 if the  
22 property to be seized was derived from an  
23 illegal source or the funds were structured  
24 for the purpose of concealing the violation

1 of a criminal law or regulation other than  
2 section 5324.

3 “(ii) NOTICE.—Not later than 30  
4 days after property is seized by the Inter-  
5 nal Revenue Service pursuant to subpara-  
6 graph (A), the Internal Revenue Service  
7 shall—

8 “(I) make a good faith effort to  
9 find all persons with an ownership in-  
10 terest in such property; and

11 “(II) provide each such person so  
12 found with a notice of the seizure and  
13 of the person’s rights under clause  
14 (iv).

15 “(iii) EXTENSION OF NOTICE UNDER  
16 CERTAIN CIRCUMSTANCES.—The Internal  
17 Revenue Service may apply to a court of  
18 competent jurisdiction for one 30-day ex-  
19 tension of the notice requirement under  
20 clause (ii) if the Internal Revenue Service  
21 can establish probable cause of an immi-  
22 nent threat to national security or personal  
23 safety necessitating such extension.

24 “(iv) POST-SEIZURE HEARING.—If a  
25 person with an ownership interest in prop-



1           erty seized pursuant to subparagraph (A)  
2           by the Internal Revenue Service requests a  
3           hearing by a court of competent jurisdic-  
4           tion within 30 days after the date on which  
5           notice is provided under subclause (ii),  
6           such property shall be returned unless the  
7           court holds an adversarial hearing and  
8           finds within 30 days of such request (or  
9           such longer period as the court may pro-  
10          vide, but only on request of an interested  
11          party) that there is probable cause to be-  
12          lieve that there is a violation of section  
13          5324 involving such property and probable  
14          cause to believe that the property to be  
15          seized was derived from an illegal source or  
16          the funds were structured for the purpose  
17          of concealing the violation of a criminal  
18          law or regulation other than section  
19          5324.”.

1 **SEC. 1202. EXCLUSION OF INTEREST RECEIVED IN ACTION**  
2 **TO RECOVER PROPERTY SEIZED BY THE IN-**  
3 **TERNAL REVENUE SERVICE BASED ON**  
4 **STRUCTURING TRANSACTION.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-  
6 ter 1 is amended by inserting before section 140 the fol-  
7 lowing new section:

8 **“SEC. 139H. INTEREST RECEIVED IN ACTION TO RECOVER**  
9 **PROPERTY SEIZED BY THE INTERNAL REV-**  
10 **ENUE SERVICE BASED ON STRUCTURING**  
11 **TRANSACTION.**

12 “Gross income shall not include any interest received  
13 from the Federal Government in connection with an action  
14 to recover property seized by the Internal Revenue Service  
15 pursuant to section 5317(c)(2) of title 31, United States  
16 Code, by reason of a claimed violation of section 5324 of  
17 such title.”.

18 (b) CLERICAL AMENDMENT.—The table of sections  
19 for part III of subchapter B of chapter 1 is amended by  
20 inserting before the item relating to section 140 the fol-  
21 lowing new item:

“Sec. 139H. Interest received in action to recover property seized by the Inter-  
nal Revenue Service based on structuring transaction.”.

22 (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to interest received on or after the  
24 date of the enactment of this Act.

1 **SEC. 1203. CLARIFICATION OF EQUITABLE RELIEF FROM**  
2 **JOINT LIABILITY.**

3 (a) IN GENERAL.—Section 6015 is amended—

4 (1) in subsection (e), by adding at the end the  
5 following new paragraph:

6 “(7) STANDARD AND SCOPE OF REVIEW.—Any  
7 review of a determination made under this section  
8 shall be reviewed de novo by the Tax Court and shall  
9 be based upon—

10 “(A) the administrative record established  
11 at the time of the determination, and

12 “(B) any additional newly discovered or  
13 previously unavailable evidence.”; and

14 (2) by amending subsection (f) to read as fol-  
15 lows:

16 “(f) EQUITABLE RELIEF.—

17 “(1) IN GENERAL.—Under procedures pre-  
18 scribed by the Secretary, if—

19 “(A) taking into account all the facts and  
20 circumstances, it is inequitable to hold the indi-  
21 vidual liable for any unpaid tax or any defi-  
22 ciency (or any portion of either), and

23 “(B) relief is not available to such indi-  
24 vidual under subsection (b) or (c),

25 the Secretary may relieve such individual of such li-  
26 ability.



1 law which have been identified for purposes of such para-  
2 graph.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to summonses served after the date  
5 that is 45 days after the date of the enactment of this  
6 Act.

7 **SEC. 1205. PRIVATE DEBT COLLECTION AND SPECIAL COM-**  
8 **PLIANCE PERSONNEL PROGRAM.**

9 (a) **CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR**  
10 **COLLECTION UNDER TAX COLLECTION CONTRACTS.**—  
11 Section 6306(d)(3) is amended by striking “or” at the end  
12 of subparagraph (C) and by inserting after subparagraph  
13 (D) the following new subparagraphs:

14 “(E) a taxpayer substantially all of whose  
15 income consists of disability insurance benefits  
16 under section 223 of the Social Security Act or  
17 supplemental security income benefits under  
18 title XVI of the Social Security Act (including  
19 supplemental security income benefits of the  
20 type described in section 1616 of such Act or  
21 section 212 of Public Law 93–66), or

22 “(F) a taxpayer who is an individual with  
23 adjusted gross income, as determined for the  
24 most recent taxable year for which such infor-  
25 mation is available, which does not exceed 200

1           percent of the applicable poverty level (as deter-  
2           mined by the Secretary),”.

3           (b) DETERMINATION OF INACTIVE TAX RECEIV-  
4 ABLES ELIGIBLE FOR COLLECTION UNDER TAX COLLEC-  
5 TION CONTRACTS.—Section 6306(c)(2)(A)(ii) is amended  
6 by striking “more than  $\frac{1}{3}$  of the period of the applicable  
7 statute of limitation has lapsed” and inserting “more than  
8 2 years has passed since assessment”.

9           (c) MAXIMUM LENGTH OF INSTALLMENT AGREE-  
10 MENTS OFFERED UNDER TAX COLLECTION CON-  
11 TRACTS.—Section 6306(b)(1)(B) is amended by striking  
12 “5 years” and inserting “7 years”.

13          (d) CLARIFICATION THAT SPECIAL COMPLIANCE  
14 PERSONNEL PROGRAM ACCOUNT MAY BE USED FOR  
15 PROGRAM COSTS.—

16           (1) IN GENERAL.—Section 6307(b) is amend-  
17 ed—

18           (A) in paragraph (2), by striking all that  
19 follows “under such program” and inserting a  
20 period, and

21           (B) in paragraph (3), by striking all that  
22 follows “out of such account” and inserting  
23 “for other than program costs”.

24           (2) COMMUNICATIONS, SOFTWARE, AND TECH-  
25 NOLOGY COSTS TREATED AS PROGRAM COSTS.—Sec-

1       tion 6307(d)(2)(B) is amended by striking “tele-  
2       communications” and inserting “communications,  
3       software, technology”.

4           (3)    CONFORMING    AMENDMENT.—Section  
5       6307(d)(2) is amended by striking “and” at the end  
6       of subparagraph (A), by striking the period at the  
7       end of subparagraph (B) and inserting “, and”, and  
8       by inserting after subparagraph (B) the following  
9       new subparagraph:

10               “(C) reimbursement of the Internal Rev-  
11               enue Service or other government agencies for  
12               the cost of administering the qualified tax col-  
13               lection program under section 6306.”.

14       (e) EFFECTIVE DATES.—

15           (1) IN GENERAL.—Except as otherwise pro-  
16       vided in this subsection, the amendments made by  
17       this section shall apply to tax receivables identified  
18       by the Secretary (or the Secretary’s delegate) after  
19       December 31, 2020.

20           (2) MAXIMUM LENGTH OF INSTALLMENT  
21       AGREEMENTS.—The amendment made by subsection  
22       (c) shall apply to contracts entered into after the  
23       date of the enactment of this Act.

24           (3) USE OF SPECIAL COMPLIANCE PERSONNEL  
25       PROGRAM ACCOUNT.—The amendment made by sub-

1 section (d) shall apply to amounts expended from  
2 the special compliance personnel program account  
3 after the date of the enactment of this Act.

4 **SEC. 1206. REFORM OF NOTICE OF CONTACT OF THIRD**  
5 **PARTIES.**

6 (a) IN GENERAL.—Section 7602(c)(1) is amended to  
7 read as follows:

8 “(1) GENERAL NOTICE.—An officer or em-  
9 ployee of the Internal Revenue Service may not con-  
10 tact any person other than the taxpayer with respect  
11 to the determination or collection of the tax liability  
12 of such taxpayer unless such contact occurs during  
13 a period (not greater than 1 year) which is specified  
14 in a notice which—

15 “(A) informs the taxpayer that contacts  
16 with persons other than the taxpayer are in-  
17 tended to be made during such period, and

18 “(B) except as otherwise provided by the  
19 Secretary, is provided to the taxpayer not later  
20 than 45 days before the beginning of such pe-  
21 riod.

22 Nothing in the preceding sentence shall prevent the  
23 issuance of notices to the same taxpayer with respect  
24 to the same tax liability with periods specified there-  
25 in that, in the aggregate, exceed 1 year. A notice



1 shall not be issued under this paragraph unless  
2 there is an intent at the time such notice is issued  
3 to contact persons other than the taxpayer during  
4 the period specified in such notice. The preceding  
5 sentence shall not prevent the issuance of a notice  
6 if the requirement of such sentence is met on the  
7 basis of the assumption that the information sought  
8 to be obtained by such contact will not be obtained  
9 by other means before such contact.”.

10 (b) EFFECTIVE DATE.—The amendment made by  
11 this section shall apply to notices provided, and contacts  
12 of persons made, after the date which is 45 days after  
13 the date of the enactment of this Act.

14 **SEC. 1207. MODIFICATION OF AUTHORITY TO ISSUE DES-**  
15 **IGNATED SUMMONS.**

16 (a) IN GENERAL.—Paragraph (1) of section 6503(j)  
17 is amended by striking “coordinated examination pro-  
18 gram” and inserting “coordinated industry case pro-  
19 gram”.

20 (b) REQUIREMENTS FOR SUMMONS.—Clause (i) of  
21 section 6503(j)(2)(A) is amended to read as follows:

22 “(i) the issuance of such summons is  
23 preceded by a review and written approval  
24 of such issuance by the Commissioner of  
25 the relevant operating division of the Inter-

1                   nal Revenue Service and the Chief Counsel  
2                   which—

3                                 “(I) states facts clearly estab-  
4                                 lishing that the Secretary has made  
5                                 reasonable requests for the informa-  
6                                 tion that is the subject of the sum-  
7                                 mons, and

8                                 “(II) is attached to such sum-  
9                                 mons,”.

10           (c) ESTABLISHMENT THAT REASONABLE REQUESTS  
11 FOR INFORMATION WERE MADE.—Subsection (j) of sec-  
12 tion 6503 is amended by adding at the end the following  
13 new paragraph:

14                                 “(4) ESTABLISHMENT THAT REASONABLE RE-  
15                                 QUESTS FOR INFORMATION WERE MADE.—In any  
16                                 court proceeding described in paragraph (3), the  
17                                 Secretary shall establish that reasonable requests  
18                                 were made for the information that is the subject of  
19                                 the summons.”.

20           (d) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to summonses issued after the date  
22 which is 45 days after the date of the enactment of this  
23 Act.

1 **SEC. 1208. LIMITATION ON ACCESS OF NON-INTERNAL REV-**  
2 **ENUE SERVICE EMPLOYEES TO RETURNS**  
3 **AND RETURN INFORMATION.**

4 (a) IN GENERAL.—Section 7602 is amended by add-  
5 ing at the end the following new subsection:

6 “(f) LIMITATION ON ACCESS OF PERSONS OTHER  
7 THAN INTERNAL REVENUE SERVICE OFFICERS AND EM-  
8 PLOYEES.—The Secretary shall not, under the authority  
9 of section 6103(n), provide any books, papers, records, or  
10 other data obtained pursuant to this section to any person  
11 authorized under section 6103(n), except when such per-  
12 son requires such information for the sole purpose of pro-  
13 viding expert evaluation and assistance to the Internal  
14 Revenue Service. No person other than an officer or em-  
15 ployee of the Internal Revenue Service or the Office of  
16 Chief Counsel may, on behalf of the Secretary, question  
17 a witness under oath whose testimony was obtained pursu-  
18 ant to this section.”.

19 (b) EFFECTIVE DATE.—The amendment made by  
20 this section—

21 (1) shall take effect on the date of the enact-  
22 ment of this Act; and

23 (2) shall not fail to apply to a contract in effect  
24 under section 6103(n) of the Internal Revenue Code  
25 of 1986 merely because such contract was in effect  
26 before the date of the enactment of this Act.

1                   **Subtitle D—Organizational**  
2                   **Modernization**

3 **SEC. 1301. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.**  
4                   **CATE.**

5           (a) TAXPAYER ADVOCATE DIRECTIVES.—

6               (1) IN GENERAL.—Section 7803(c) is amended  
7           by adding at the end the following new paragraph:

8               “(5) TAXPAYER ADVOCATE DIRECTIVES.—In  
9           the case of any Taxpayer Advocate Directive issued  
10           by the National Taxpayer Advocate pursuant to a  
11           delegation of authority from the Commissioner of Internal Revenue—  
12           

13               “(A) the Commissioner or a Deputy Commissioner shall modify, rescind, or ensure compliance with such directive not later than 90 days after the issuance of such directive, and  
14                 
15               

16               “(B) in the case of any directive which is  
17               modified or rescinded by a Deputy Commissioner, the National Taxpayer Advocate may  
18               (not later than 90 days after such modification or rescission) appeal to the Commissioner, and  
19               the Commissioner shall (not later than 90 days  
20               after such appeal is made) ensure compliance  
21               with such directive as issued by the National  
22               Taxpayer Advocate or provide the National  
23                 
24                 
25

1 Taxpayer Advocate with the reasons for any  
2 modification or rescission made or upheld by  
3 the Commissioner pursuant to such appeal.”.

4 (2) REPORT TO CERTAIN COMMITTEES OF CON-  
5 GRESS REGARDING DIRECTIVES.—Section  
6 7803(c)(2)(B)(ii) is amended by redesignating sub-  
7 clauses (VIII) through (XI) as subclauses (IX)  
8 through (XII), respectively, and by inserting after  
9 subclause (VII) the following new subclause:

10 “(VIII) identify any Taxpayer  
11 Advocate Directive which was not  
12 honored by the Internal Revenue  
13 Service in a timely manner, as speci-  
14 fied under paragraph (5);”.

15 (b) NATIONAL TAXPAYER ADVOCATE ANNUAL RE-  
16 PORTS TO CONGRESS.—

17 (1) INCLUSION OF MOST SERIOUS TAXPAYER  
18 PROBLEMS.—Section 7803(c)(2)(B)(ii)(III) is  
19 amended by striking “at least 20 of the” and insert-  
20 ing “the 10”.

21 (2) COORDINATION WITH TREASURY INSPECTOR  
22 GENERAL FOR TAX ADMINISTRATION.—Section  
23 7803(c)(2) is amended by adding at the end the fol-  
24 lowing new subparagraph:

1           “(E) COORDINATION WITH TREASURY IN-  
2           SPECTOR GENERAL FOR TAX ADMINISTRA-  
3           TION.—Before beginning any research or study,  
4           the National Taxpayer Advocate shall coordi-  
5           nate with the Treasury Inspector General for  
6           Tax Administration to ensure that the National  
7           Taxpayer Advocate does not duplicate any ac-  
8           tion that the Treasury Inspector General for  
9           Tax Administration has already undertaken or  
10          has a plan to undertake.”.

11          (3) STATISTICAL SUPPORT.—

12                 (A) IN GENERAL.—Section 6108 is amend-  
13                 ed by adding at the end the following new sub-  
14                 section:

15          “(d) STATISTICAL SUPPORT FOR NATIONAL TAX-  
16          PAYER ADVOCATE.—Upon request of the National Tax-  
17          payer Advocate, the Secretary shall, to the extent prac-  
18          ticable, provide the National Taxpayer Advocate with sta-  
19          tistical support in connection with the preparation by the  
20          National Taxpayer Advocate of the annual report de-  
21          scribed in section 7803(c)(2)(B)(ii). Such statistical sup-  
22          port shall include statistical studies, compilations, and the  
23          review of information provided by the National Taxpayer  
24          Advocate for statistical validity and sound statistical  
25          methodology.”.

1 (B) DISCLOSURE OF REVIEW.—Section  
2 7803(c)(2)(B)(ii), as amended by subsection  
3 (a), is amended by striking “and” at the end of  
4 subclause (XI), by redesignating subclause  
5 (XII) as subclause (XIII), and by inserting  
6 after subclause (XI) the following new sub-  
7 clause:

8 “(XII) with respect to any statis-  
9 tical information included in such re-  
10 port, include a statement of whether  
11 such statistical information was re-  
12 viewed or provided by the Secretary  
13 under section 6108(d) and, if so,  
14 whether the Secretary determined  
15 such information to be statistically  
16 valid and based on sound statistical  
17 methodology; and”.

18 (C) CONFORMING AMENDMENT.—Section  
19 7803(c)(2)(B)(iii) is amended by adding at the  
20 end the following: “The preceding sentence  
21 shall not apply with respect to statistical infor-  
22 mation provided to the Secretary for review, or  
23 received from the Secretary, under section  
24 6108(d).”.

1 (c) SALARY OF NATIONAL TAXPAYER ADVOCATE.—  
2 Section 7803(c)(1)(B)(i) is amended by striking “, or, if  
3 the Secretary of the Treasury so determines, at a rate  
4 fixed under section 9503 of such title”.

5 (d) EFFECTIVE DATE.—

6 (1) IN GENERAL.—Except as otherwise pro-  
7 vided in this subsection, the amendments made by  
8 this section shall take effect on the date of the en-  
9 actment of this Act.

10 (2) SALARY OF NATIONAL TAXPAYER ADVOCATE.—The amendment made by subsection (c)  
11 shall apply to compensation paid to individuals ap-  
12 pointed as the National Taxpayer Advocate after  
13 March 31, 2019.  
14

15 **SEC. 1302. MODERNIZATION OF INTERNAL REVENUE SERV-**  
16 **ICE ORGANIZATIONAL STRUCTURE.**

17 (a) IN GENERAL.—Not later than September 30,  
18 2020, the Secretary of the Treasury (or the Secretary’s  
19 delegate) shall submit to Congress a comprehensive writ-  
20 ten plan to redesign the organization of the Internal Rev-  
21 enue Service. Such plan shall—

22 (1) ensure the successful implementation of the  
23 priorities specified by Congress in this Act;





1 **“SEC. 7526A. RETURN PREPARATION PROGRAMS FOR AP-**  
2 **PLICABLE TAXPAYERS.**

3 “(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX  
4 ASSISTANCE MATCHING GRANT PROGRAM.—The Sec-  
5 retary shall establish a Community Volunteer Income Tax  
6 Assistance Matching Grant Program under which the Sec-  
7 retary may, subject to the availability of appropriated  
8 funds, make grants to provide matching funds for the de-  
9 velopment, expansion, or continuation of qualified return  
10 preparation programs assisting applicable taxpayers and  
11 members of underserved populations.

12 “(b) USE OF FUNDS.—

13 “(1) IN GENERAL.—Qualified return prepara-  
14 tion programs may use grants received under this  
15 section for—

16 “(A) ordinary and necessary costs associ-  
17 ated with program operation in accordance with  
18 cost principles under the applicable Office of  
19 Management and Budget circular, including—

20 “(i) wages or salaries of persons co-  
21 ordinating the activities of the program,

22 “(ii) developing training materials,  
23 conducting training, and performing qual-  
24 ity reviews of the returns prepared under  
25 the program,

26 “(iii) equipment purchases, and

1                   “(iv) vehicle-related expenses associ-  
2                   ated with remote or rural tax preparation  
3                   services,

4                   “(B) outreach and educational activities  
5                   described in subsection (c)(2)(B), and

6                   “(C) services related to financial education  
7                   and capability, asset development, and the es-  
8                   tablishment of savings accounts in connection  
9                   with tax return preparation.

10                  “(2) REQUIREMENT OF MATCHING FUNDS.—A  
11                  qualified return preparation program must provide  
12                  matching funds on a dollar-for-dollar basis for all  
13                  grants provided under this section. Matching funds  
14                  may include—

15                         “(A) the salary (including fringe benefits)  
16                         of individuals performing services for the pro-  
17                         gram,

18                         “(B) the cost of equipment used in the  
19                         program, and

20                         “(C) other ordinary and necessary costs  
21                         associated with the program.

22                  Indirect expenses, including general overhead of any  
23                  entity administering the program, shall not be  
24                  counted as matching funds.

25                  “(c) APPLICATION.—

1           “(1) IN GENERAL.—Each applicant for a grant  
2           under this section shall submit an application to the  
3           Secretary at such time, in such manner, and con-  
4           taining such information as the Secretary may rea-  
5           sonably require.

6           “(2) PRIORITY.—In awarding grants under this  
7           section, the Secretary shall give priority to applica-  
8           tions which demonstrate—

9                   “(A) assistance to applicable taxpayers,  
10                  with emphasis on outreach to, and services for,  
11                  such taxpayers,

12                   “(B) taxpayer outreach and educational  
13                  activities relating to eligibility and availability  
14                  of income supports available through this title,  
15                  including the earned income tax credit, and

16                   “(C) specific outreach and focus on one or  
17                  more underserved populations.

18           “(3) AMOUNTS TAKEN INTO ACCOUNT.—In de-  
19           termining matching grants under this section, the  
20           Secretary shall only take into account amounts pro-  
21           vided by the qualified return preparation program  
22           for expenses described in subsection (b).

23           “(d) PROGRAM ADHERENCE.—

24                   “(1) IN GENERAL.—The Secretary shall estab-  
25                  lish procedures for, and shall conduct not less fre-

1       quently than once every 5 calendar years during  
2       which a qualified return preparation program is op-  
3       erating under a grant under this section, periodic  
4       site visits—

5               “(A) to ensure the program is carrying out  
6       the purposes of this section, and

7               “(B) to determine whether the program  
8       meets such program adherence standards as the  
9       Secretary shall by regulation or other guidance  
10      prescribe.

11              “(2) ADDITIONAL REQUIREMENTS FOR GRANT  
12      RECIPIENTS NOT MEETING PROGRAM ADHERENCE  
13      STANDARDS.—In the case of any qualified return  
14      preparation program which—

15              “(A) is awarded a grant under this section,  
16      and

17              “(B) is subsequently determined—

18                      “(i) not to meet the program adher-  
19                      ence standards described in paragraph  
20                      (1)(B), or

21                      “(ii) not to be otherwise carrying out  
22                      the purposes of this section,

23      such program shall not be eligible for any additional  
24      grants under this section unless such program pro-  
25      vides sufficient documentation of corrective meas-

1 ures established to address any such deficiencies de-  
2 termined.

3 “(e) DEFINITIONS.—For purposes of this section—

4 “(1) QUALIFIED RETURN PREPARATION PRO-  
5 GRAM.—The term ‘qualified return preparation pro-  
6 gram’ means any program—

7 “(A) which provides assistance to individ-  
8 uals, not less than 90 percent of whom are ap-  
9 plicable taxpayers, in preparing and filing Fed-  
10 eral income tax returns,

11 “(B) which is administered by a qualified  
12 entity,

13 “(C) in which all volunteers who assist in  
14 the preparation of Federal income tax returns  
15 meet the training requirements prescribed by  
16 the Secretary, and

17 “(D) which uses a quality review process  
18 which reviews 100 percent of all returns.

19 “(2) QUALIFIED ENTITY.—

20 “(A) IN GENERAL.—The term ‘qualified  
21 entity’ means any entity which—

22 “(i) is an eligible organization,

23 “(ii) is in compliance with Federal tax  
24 filing and payment requirements,

1           “(iii) is not debarred or suspended  
2           from Federal contracts, grants, or coopera-  
3           tive agreements, and

4           “(iv) agrees to provide documentation  
5           to substantiate any matching funds pro-  
6           vided pursuant to the grant program under  
7           this section.

8           “(B) ELIGIBLE ORGANIZATION.—The term  
9           ‘eligible organization’ means—

10           “(i) an institution of higher education  
11           which is described in section 102 (other  
12           than subsection (a)(1)(C) thereof) of the  
13           Higher Education Act of 1965 (20 U.S.C.  
14           1002), as in effect on the date of the en-  
15           actment of this section, and which has not  
16           been disqualified from participating in a  
17           program under title IV of such Act,

18           “(ii) an organization described in sec-  
19           tion 501(c) and exempt from tax under  
20           section 501(a),

21           “(iii) a local government agency, in-  
22           cluding—

23           “(I) a county or municipal gov-  
24           ernment agency, and

1                   “(II) an Indian tribe, as defined  
2                   in section 4(13) of the Native Amer-  
3                   ican Housing Assistance and Self-De-  
4                   termination Act of 1996 (25 U.S.C.  
5                   4103(13)), including any tribally des-  
6                   ignated housing entity (as defined in  
7                   section 4(22) of such Act (25 U.S.C.  
8                   4103(22))), tribal subsidiary, subdivi-  
9                   sion, or other wholly owned tribal en-  
10                  tity,

11                  “(iv) a local, State, regional, or na-  
12                  tional coalition (with one lead organization  
13                  which meets the eligibility requirements of  
14                  clause (i), (ii), or (iii) acting as the appli-  
15                  cant organization), or

16                  “(v) in the case of applicable tax-  
17                  payers and members of underserved popu-  
18                  lations with respect to which no organiza-  
19                  tions described in the preceding clauses are  
20                  available—

21                  “(I) a State government agency,  
22                  or

23                  “(II) an office providing Cooper-  
24                  ative Extension services (as estab-  
25                  lished at the land-grant colleges and



1                   universities under the Smith-Lever  
2                   Act of May 8, 1914).

3                   “(3) APPLICABLE TAXPAYERS.—The term ‘ap-  
4                   plicable taxpayer’ means a taxpayer whose income  
5                   for the taxable year does not exceed an amount  
6                   equal to the completed phaseout amount under sec-  
7                   tion 32(b) for a married couple filing a joint return  
8                   with three or more qualifying children, as deter-  
9                   mined in a revenue procedure or other published  
10                  guidance.

11                  “(4) UNDERSERVED POPULATION.—The term  
12                  ‘underserved population’ includes populations of per-  
13                  sons with disabilities, persons with limited English  
14                  proficiency, Native Americans, individuals living in  
15                  rural areas, members of the Armed Forces and their  
16                  spouses, and the elderly.

17                  “(f) SPECIAL RULES AND LIMITATIONS.—

18                  “(1) DURATION OF GRANTS.—Upon application  
19                  of a qualified return preparation program, the Sec-  
20                  retary is authorized to award a multi-year grant not  
21                  to exceed 3 years.

22                  “(2) AGGREGATE LIMITATION.—Unless other-  
23                  wise provided by specific appropriation, the Sec-  
24                  retary shall not allocate more than \$30,000,000 per

1 fiscal year (exclusive of costs of administering the  
2 program) to grants under this section.

3 “(g) PROMOTION OF PROGRAMS.—

4 “(1) IN GENERAL.—The Secretary shall pro-  
5 mote tax preparation through qualified return prepa-  
6 ration programs through the use of mass commu-  
7 nications and other means.

8 “(2) PROVISION OF INFORMATION REGARDING  
9 QUALIFIED RETURN PREPARATION PROGRAMS.—The  
10 Secretary may provide taxpayers information regard-  
11 ing qualified return preparation programs receiving  
12 grants under this section.

13 “(3) REFERRALS TO LOW-INCOME TAXPAYER  
14 CLINICS.—Qualified return preparation programs re-  
15 ceiving a grant under this section are encouraged, in  
16 appropriate cases, to—

17 “(A) advise taxpayers of the availability of,  
18 and eligibility requirements for receiving, advice  
19 and assistance from qualified low-income tax-  
20 payer clinics receiving funding under section  
21 7526, and

22 “(B) provide information regarding the lo-  
23 cation of, and contact information for, such  
24 clinics.”.

1 (b) CLERICAL AMENDMENT.—The table of sections  
2 for chapter 77 is amended by inserting after the item re-  
3 lating to section 7526 the following new item:

“Sec. 7526A. Return preparation programs for applicable taxpayers.”.

4 **SEC. 1402. PROVISION OF INFORMATION REGARDING LOW-**  
5 **INCOME TAXPAYER CLINICS.**

6 (a) IN GENERAL.—Section 7526(c) is amended by  
7 adding at the end the following new paragraph:

8 “(6) PROVISION OF INFORMATION REGARDING  
9 QUALIFIED LOW-INCOME TAXPAYER CLINICS.—Not-  
10 withstanding any other provision of law, officers and  
11 employees of the Department of the Treasury may—

12 “(A) advise taxpayers of the availability of,  
13 and eligibility requirements for receiving, advice  
14 and assistance from one or more specific quali-  
15 fied low-income taxpayer clinics receiving fund-  
16 ing under this section, and

17 “(B) provide information regarding the lo-  
18 cation of, and contact information for, such  
19 clinics.”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall take effect on the date of the enactment  
22 of this Act.

1 **SEC. 1403. NOTICE FROM IRS REGARDING CLOSURE OF**  
2 **TAXPAYER ASSISTANCE CENTERS.**

3 Not later than 90 days before the date that a pro-  
4 posed closure of a Taxpayer Assistance Center would take  
5 effect, the Secretary of the Treasury (or the Secretary's  
6 delegate) shall—

7 (1) make publicly available (including by non-  
8 electronic means) a notice which—

9 (A) identifies the Taxpayer Assistance  
10 Center proposed for closure and the date of  
11 such proposed closure; and

12 (B) identifies the relevant alternative  
13 sources of taxpayer assistance which may be  
14 utilized by taxpayers affected by such proposed  
15 closure; and

16 (2) submit to Congress a written report that in-  
17 cludes—

18 (A) the information included in the notice  
19 described in paragraph (1);

20 (B) the reasons for such proposed closure;  
21 and

22 (C) such other information as the Sec-  
23 retary may determine appropriate.

1 **SEC. 1404. RULES FOR SEIZURE AND SALE OF PERISHABLE**  
2 **GOODS RESTRICTED TO ONLY PERISHABLE**  
3 **GOODS.**

4 (a) IN GENERAL.—Section 6336 is amended by strik-  
5 ing “or become greatly reduced in price or value by keep-  
6 ing, or that such property cannot be kept without great  
7 expense”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to property seized after the date  
10 of the enactment of this Act.

11 **SEC. 1405. WHISTLEBLOWER REFORMS.**

12 (a) MODIFICATIONS TO DISCLOSURE RULES FOR  
13 WHISTLEBLOWERS.—

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

16 “(13) DISCLOSURE TO WHISTLEBLOWERS.—

17 “(A) IN GENERAL.—The Secretary may  
18 disclose, to any individual providing information  
19 relating to any purpose described in paragraph  
20 (1) or (2) of section 7623(a), return informa-  
21 tion related to the investigation of any taxpayer  
22 with respect to whom the individual has pro-  
23 vided such information, but only to the extent  
24 that such disclosure is necessary in obtaining  
25 information, which is not otherwise reasonably  
26 available, with respect to the correct determina-

1           tion of tax liability for tax, or the amount to be  
2           collected with respect to the enforcement of any  
3           other provision of this title.

4           “(B) UPDATES ON WHISTLEBLOWER IN-  
5           VESTIGATIONS.—The Secretary shall disclose to  
6           an individual providing information relating to  
7           any purpose described in paragraph (1) or (2)  
8           of section 7623(a) the following:

9                   “(i) Not later than 60 days after a  
10                   case for which the individual has provided  
11                   information has been referred for an audit  
12                   or examination, a notice with respect to  
13                   such referral.

14                   “(ii) Not later than 60 days after a  
15                   taxpayer with respect to whom the indi-  
16                   vidual has provided information has made  
17                   a payment of tax with respect to tax liabil-  
18                   ity to which such information relates, a no-  
19                   tice with respect to such payment.

20                   “(iii) Subject to such requirements  
21                   and conditions as are prescribed by the  
22                   Secretary, upon a written request by such  
23                   individual—

1                   “(I) information on the status  
2                   and stage of any investigation or ac-  
3                   tion related to such information, and

4                   “(II) in the case of a determina-  
5                   tion of the amount of any award  
6                   under section 7623(b), the reasons for  
7                   such determination.

8                   Clause (iii) shall not apply to any information  
9                   if the Secretary determines that disclosure of  
10                  such information would seriously impair Fed-  
11                  eral tax administration. Information described  
12                  in clauses (i), (ii), and (iii) may be disclosed to  
13                  a designee of the individual providing such in-  
14                  formation in accordance with guidance provided  
15                  by the Secretary.”.

16                  (2) CONFORMING AMENDMENTS.—

17                  (A) CONFIDENTIALITY OF INFORMA-  
18                  TION.—Section 6103(a)(3) is amended by strik-  
19                  ing “subsection (k)(10)” and inserting “para-  
20                  graph (10) or (13) of subsection (k)”.

21                  (B) PENALTY FOR UNAUTHORIZED DIS-  
22                  CLOSURE.—Section 7213(a)(2) is amended by  
23                  striking “(k)(10)” and inserting “(k)(10) or  
24                  (13)”.

1 (C) COORDINATION WITH AUTHORITY TO  
2 DISCLOSE FOR INVESTIGATIVE PURPOSES.—  
3 Section 6103(k)(6) is amended by adding at the  
4 end the following new sentence: “This para-  
5 graph shall not apply to any disclosure to an in-  
6 dividual providing information relating to any  
7 purpose described in paragraph (1) or (2) of  
8 section 7623(a) which is made under paragraph  
9 (13)(A).”.

10 (b) PROTECTION AGAINST RETALIATION.—Section  
11 7623 is amended by adding at the end the following new  
12 subsection:

13 “(d) CIVIL ACTION TO PROTECT AGAINST RETALIA-  
14 TION CASES.—

15 “(1) ANTI-RETALIATION WHISTLEBLOWER PRO-  
16 TECTION FOR EMPLOYEES.—No employer, or any of-  
17 ficer, employee, contractor, subcontractor, or agent  
18 of such employer, may discharge, demote, suspend,  
19 threaten, harass, or in any other manner discrimi-  
20 nate against an employee in the terms and condi-  
21 tions of employment (including through an act in the  
22 ordinary course of such employee’s duties) in re-  
23 prisal for any lawful act done by the employee—

24 “(A) to provide information, cause infor-  
25 mation to be provided, or otherwise assist in an



1 investigation regarding underpayment of tax or  
2 any conduct which the employee reasonably be-  
3 lieves constitutes a violation of the internal rev-  
4 enue laws or any provision of Federal law relat-  
5 ing to tax fraud, when the information or as-  
6 sistance is provided to the Internal Revenue  
7 Service, the Secretary of Treasury, the Treas-  
8 ury Inspector General for Tax Administration,  
9 the Comptroller General of the United States,  
10 the Department of Justice, the United States  
11 Congress, a person with supervisory authority  
12 over the employee, or any other person working  
13 for the employer who has the authority to inves-  
14 tigate, discover, or terminate misconduct, or

15 “(B) to testify, participate in, or otherwise  
16 assist in any administrative or judicial action  
17 taken by the Internal Revenue Service relating  
18 to an alleged underpayment of tax or any viola-  
19 tion of the internal revenue laws or any provi-  
20 sion of Federal law relating to tax fraud.

21 “(2) ENFORCEMENT ACTION.—

22 “(A) IN GENERAL.—A person who alleges  
23 discharge or other reprisal by any person in vio-  
24 lation of paragraph (1) may seek relief under  
25 paragraph (3) by—

1           “(i) filing a complaint with the Sec-  
2           retary of Labor, or

3           “(ii) if the Secretary of Labor has not  
4           issued a final decision within 180 days of  
5           the filing of the complaint and there is no  
6           showing that such delay is due to the bad  
7           faith of the claimant, bringing an action at  
8           law or equity for de novo review in the ap-  
9           propriate district court of the United  
10          States, which shall have jurisdiction over  
11          such an action without regard to the  
12          amount in controversy.

13          “(B) PROCEDURE.—

14                 “(i) IN GENERAL.—An action under  
15                 subparagraph (A)(i) shall be governed  
16                 under the rules and procedures set forth in  
17                 section 42121(b) of title 49, United States  
18                 Code.

19                 “(ii) EXCEPTION.—Notification made  
20                 under section 42121(b)(1) of title 49,  
21                 United States Code, shall be made to the  
22                 person named in the complaint and to the  
23                 employer.

24                 “(iii) BURDENS OF PROOF.—An ac-  
25                 tion brought under subparagraph (A)(ii)

1 shall be governed by the legal burdens of  
2 proof set forth in section 42121(b) of title  
3 49, United States Code, except that in ap-  
4 plying such section—

5 “(I) ‘behavior described in para-  
6 graph (1)’ shall be substituted for ‘be-  
7 havior described in paragraphs (1)  
8 through (4) of subsection (a)’ each  
9 place it appears in paragraph (2)(B)  
10 thereof, and

11 “(II) ‘a violation of paragraph  
12 (1)’ shall be substituted for ‘a viola-  
13 tion of subsection (a)’ each place it  
14 appears.

15 “(iv) STATUTE OF LIMITATIONS.—A  
16 complaint under subparagraph (A)(i) shall  
17 be filed not later than 180 days after the  
18 date on which the violation occurs.

19 “(v) JURY TRIAL.—A party to an ac-  
20 tion brought under subparagraph (A)(ii)  
21 shall be entitled to trial by jury.

22 “(3) REMEDIES.—

23 “(A) IN GENERAL.—An employee pre-  
24 vailing in any action under paragraph (2)(A)

1 shall be entitled to all relief necessary to make  
2 the employee whole.

3 “(B) COMPENSATORY DAMAGES.—Relief  
4 for any action under subparagraph (A) shall in-  
5 clude—

6 “(i) reinstatement with the same se-  
7 niority status that the employee would  
8 have had, but for the reprisal,

9 “(ii) the sum of 200 percent of the  
10 amount of back pay and 100 percent of all  
11 lost benefits, with interest, and

12 “(iii) compensation for any special  
13 damages sustained as a result of the re-  
14 prisal, including litigation costs, expert wit-  
15 ness fees, and reasonable attorney fees.

16 “(4) RIGHTS RETAINED BY EMPLOYEE.—Noth-  
17 ing in this section shall be deemed to diminish the  
18 rights, privileges, or remedies of any employee under  
19 any Federal or State law, or under any collective  
20 bargaining agreement.

21 “(5) NONENFORCEABILITY OF CERTAIN PROVI-  
22 SIONS WAIVING RIGHTS AND REMEDIES OR REQUIR-  
23 ING ARBITRATION OF DISPUTES.—

24 “(A) WAIVER OF RIGHTS AND REM-  
25 EDIES.—The rights and remedies provided for

1 in this subsection may not be waived by any  
2 agreement, policy form, or condition of employ-  
3 ment, including by a predispute arbitration  
4 agreement.

5 “(B) PREDISPUTE ARBITRATION AGREE-  
6 MENTS.—No predispute arbitration agreement  
7 shall be valid or enforceable, if the agreement  
8 requires arbitration of a dispute arising under  
9 this subsection.”.

10 (c) EFFECTIVE DATE.—

11 (1) IN GENERAL.—The amendments made by  
12 subsection (a) shall apply to disclosures made after  
13 the date of the enactment of this Act.

14 (2) CIVIL PROTECTION.—The amendment made  
15 by subsection (b) shall take effect on the date of the  
16 enactment of this Act.

17 **SEC. 1406. CUSTOMER SERVICE INFORMATION.**

18 The Secretary of the Treasury (or the Secretary’s  
19 delegate) shall provide helpful information to taxpayers  
20 placed on hold during a telephone call to any Internal Rev-  
21 enue Service help line, including the following:

22 (1) Information about common tax scams.

23 (2) Information on where and how to report tax  
24 scams.

1           (3) Additional advice on how taxpayers can pro-  
2           tect themselves from identity theft and tax scams.

3 **SEC. 1407. MISDIRECTED TAX REFUND DEPOSITS.**

4           Section 6402 is amended by adding at the end the  
5 following new subsection:

6           “(n) MISDIRECTED DIRECT DEPOSIT REFUND.—Not  
7 later than the date which is 6 months after the date of  
8 the enactment of the Taxpayer First Act of 2019, the Sec-  
9 retary shall prescribe regulations to establish procedures  
10 to allow for—

11           “(1) taxpayers to report instances in which a  
12 refund made by the Secretary by electronic funds  
13 transfer was not transferred to the account of the  
14 taxpayer;

15           “(2) coordination with financial institutions for  
16 the purpose of—

17           “(A) identifying the accounts to which  
18 transfers described in paragraph (1) were  
19 made; and

20           “(B) recovery of the amounts so trans-  
21 ferred; and

22           “(3) the refund to be delivered to the correct  
23 account of the taxpayer.”.

1       **TITLE II—21ST CENTURY IRS**  
2       **Subtitle A—Cybersecurity and**  
3       **Identity Protection**

4       **SEC. 2001. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS**  
5       **IDENTITY THEFT REFUND FRAUD.**

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

10       **SEC. 2002. RECOMMENDATIONS OF ELECTRONIC TAX AD-**  
11       **MINISTRATION ADVISORY COMMITTEE RE-**  
12       **GARDING IDENTITY THEFT REFUND FRAUD.**

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

21       **SEC. 2003. INFORMATION SHARING AND ANALYSIS CENTER.**

22       (a) IN GENERAL.—The Secretary of the Treasury (or  
23 the Secretary's delegate) may participate in an informa-  
24 tion sharing and analysis center to centralize, standardize,  
25 and enhance data compilation and analysis to facilitate

1 sharing actionable data and information with respect to  
2 identity theft tax refund fraud.

3 (b) DEVELOPMENT OF PERFORMANCE METRICS.—

4 The Secretary of the Treasury (or the Secretary’s dele-  
5 gate) shall develop metrics for measuring the success of  
6 such center in detecting and preventing identity theft tax  
7 refund fraud.

8 (c) DISCLOSURE.—

9 (1) IN GENERAL.—Section 6103(k), as amend-  
10 ed by this Act, is amended by adding at the end the  
11 following new paragraph:

12 “(14) DISCLOSURE OF RETURN INFORMATION  
13 FOR PURPOSES OF CYBERSECURITY AND THE PRE-  
14 VENTION OF IDENTITY THEFT TAX REFUND  
15 FRAUD.—

16 “(A) IN GENERAL.—Under such proce-  
17 dures and subject to such conditions as the Sec-  
18 retary may prescribe, the Secretary may dis-  
19 close specified return information to specified  
20 ISAC participants to the extent that the Sec-  
21 retary determines such disclosure is in further-  
22 ance of effective Federal tax administration re-  
23 lating to the detection or prevention of identity  
24 theft tax refund fraud, validation of taxpayer



1 identity, authentication of taxpayer returns, or  
2 detection or prevention of cybersecurity threats.

3 “(B) SPECIFIED ISAC PARTICIPANTS.—For  
4 purposes of this paragraph—

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

7 “(I) any person designated by  
8 the Secretary as having primary re-  
9 sponsibility for a function performed  
10 with respect to the information shar-  
11 ing and analysis center described in  
12 section 2003(a) of the Taxpayer First  
13 Act of 2019, and

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

18 “(ii) INFORMATION SHARING AGREE-  
19 MENT.—Such term shall not include any  
20 person unless such person has entered into  
21 a written agreement with the Secretary  
22 setting forth the terms and conditions for  
23 the disclosure of information to such per-  
24 son under this paragraph, including re-  
25 quirements regarding the protection and

1                   safeguarding of such information by such  
2                   person.

3                   “(C) SPECIFIED RETURN INFORMATION.—

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

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

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

19                  “(II) in the case of such return  
20                  prepared by a tax return preparer,  
21                  identifying information with respect to  
22                  such tax return preparer, including  
23                  the preparer taxpayer identification  
24                  number and electronic filer identifica-  
25                  tion number of such preparer,

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

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

18           “(D) RESTRICTION ON USE OF DISCLOSED  
19          INFORMATION.—

20           “(i) DESIGNATED THIRD PARTIES.—  
21          Any return information received by a per-  
22          son described in subparagraph (B)(i)(I)  
23          shall be used only for the purposes of and  
24          to the extent necessary in—

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

4                   “(II) facilitating disclosures au-  
5                   thorized under subparagraph (A) to  
6                   persons described in subparagraph  
7                   (B)(i)(II), and

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

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

19                  “(E) DATA PROTECTION AND SAFE-  
20                  GUARDS.—Return information disclosed under  
21                  this paragraph shall be subject to such protec-  
22                  tions and safeguards as the Secretary may re-  
23                  quire in regulations or other guidance or in the  
24                  written agreement referred to in subparagraph  
25                  (B)(ii). Such written agreement shall include a

1 requirement that any unauthorized access to in-  
2 formation disclosed under this paragraph, and  
3 any breach of any system in which such infor-  
4 mation is held, be reported to the Treasury In-  
5 spector General for Tax Administration.”.

6 (2) APPLICATION OF CIVIL AND CRIMINAL PEN-  
7 ALTIES.—

8 (A) Section 6103(a)(3), as amended by  
9 this Act, is amended by striking “or (13)” and  
10 inserting “(13), or (14)”.

11 (B) Section 7213(a)(2), as amended by  
12 this Act, is amended by striking “or (13)” and  
13 inserting “(13), or (14)”.

14 **SEC. 2004. COMPLIANCE BY CONTRACTORS WITH CON-**  
15 **FIDENTIALITY SAFEGUARDS.**

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

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

24 “(A) has requirements in effect which re-  
25 quire each such contractor or other agent which

1 would have access to returns or return informa-  
2 tion to provide safeguards (within the meaning  
3 of paragraph (4)) to protect the confidentiality  
4 of such returns or return information,

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

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

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

19 The certification required by subparagraph (D) shall  
20 include the name and address of each contractor or  
21 other agent, a description of the contract or agree-  
22 ment with such contractor or other agent, and the  
23 duration of such contract or agreement. The require-  
24 ments of this paragraph shall not apply to dislo-

1       sures pursuant to subsection (n) for purposes of  
2       Federal tax administration.”.

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

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

9       **SEC. 2005. REPORT ON ELECTRONIC PAYMENTS.**

10       Not later than 2 years after the date of the enact-  
11       ment of this Act, the Secretary of the Treasury (or the  
12       Secretary’s delegate), in coordination with the Bureau of  
13       Fiscal Service and the Internal Revenue Service, and in  
14       consultation with private sector financial institutions, shall  
15       submit a written report to Congress describing how the  
16       government can utilize new payment platforms to increase  
17       the number of tax refunds paid by electronic funds trans-  
18       fer. Such report shall weigh the interests of reducing iden-  
19       tity theft tax refund fraud, reducing the Federal Govern-  
20       ment’s costs in delivering tax refunds, the costs and any  
21       associated fees charged to taxpayers (including monthly  
22       and point-of-service fees) to access their tax refunds, the  
23       impact on individuals who do not have access to financial  
24       accounts or institutions, and ensuring payments are made  
25       to accounts at a financial institution that complies with

1 section 21 of the Federal Deposit Insurance Act, chapter  
2 2 of title I of Public Law 91–508, and subchapter II of  
3 chapter 53 of title 31, United States Code (commonly re-  
4 ferred to collectively as the “Bank Secrecy Act”) and the  
5 USA PATRIOT Act. Such report shall include any legisla-  
6 tive recommendations necessary to accomplish these goals.

7 **SEC. 2006. IDENTITY PROTECTION PERSONAL IDENTIFICA-**  
8 **TION NUMBERS.**

9 (a) IN GENERAL.—Subject to subsection (b), the Sec-  
10 retary of the Treasury or the Secretary’s delegate (here-  
11 after referred to in this section as the “Secretary”) shall  
12 establish a program to issue, upon the request of any indi-  
13 vidual, a number which may be used in connection with  
14 such individual’s social security number (or other identi-  
15 fying information with respect to such individual as deter-  
16 mined by the Secretary) to assist the Secretary in  
17 verifying such individual’s identity.

18 (b) REQUIREMENTS.—

19 (1) ANNUAL EXPANSION.—For each calendar  
20 year beginning after the date of the enactment of  
21 this Act, the Secretary shall provide numbers  
22 through the program described in subsection (a) to  
23 individuals residing in such States as the Secretary  
24 deems appropriate, provided that the total number  
25 of States served by such program during such year



1 is greater than the total number of States served by  
2 such program during the preceding year.

3 (2) NATIONWIDE AVAILABILITY.—Not later  
4 than 5 years after the date of the enactment of this  
5 Act, the Secretary shall ensure that the program de-  
6 scribed in subsection (a) is made available to any in-  
7 dividual residing in the United States.

8 **SEC. 2007. SINGLE POINT OF CONTACT FOR TAX-RELATED**  
9 **IDENTITY THEFT VICTIMS.**

10 (a) IN GENERAL.—The Secretary of the Treasury (or  
11 the Secretary's delegate) shall establish and implement  
12 procedures to ensure that any taxpayer whose return has  
13 been delayed or otherwise adversely affected due to tax-  
14 related identity theft has a single point of contact at the  
15 Internal Revenue Service throughout the processing of the  
16 taxpayer's case. The single point of contact shall track the  
17 taxpayer's case to completion and coordinate with other  
18 Internal Revenue Service employees to resolve case issues  
19 as quickly as possible.

20 (b) SINGLE POINT OF CONTACT.—

21 (1) IN GENERAL.—For purposes of subsection  
22 (a), the single point of contact shall consist of a  
23 team or subset of specially trained employees who—

1 (A) have the ability to work across func-  
2 tions to resolve the issues involved in the tax-  
3 payer's case; and

4 (B) shall be accountable for handling the  
5 case until its resolution.

6 (2) TEAM OR SUBSET.—The employees included  
7 within the team or subset described in paragraph (1)  
8 may change as required to meet the needs of the In-  
9 ternal Revenue Service, provided that procedures  
10 have been established to—

11 (A) ensure continuity of records and case  
12 history; and

13 (B) notify the taxpayer when appropriate.

14 **SEC. 2008. NOTIFICATION OF SUSPECTED IDENTITY THEFT.**

15 (a) IN GENERAL.—Chapter 77 is amended by adding  
16 at the end the following new section:

17 **“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY**  
18 **THEFT.**

19 “(a) IN GENERAL.—If the Secretary determines that  
20 there has been or may have been an unauthorized use of  
21 the identity of any individual, the Secretary shall, without  
22 jeopardizing an investigation relating to tax administra-  
23 tion—

24 “(1) as soon as practicable—

1           “(A) notify the individual of such deter-  
2           mination,

3           “(B) provide instructions on how to file a  
4           report with law enforcement regarding the un-  
5           authorized use,

6           “(C) identify any steps to be taken by the  
7           individual to permit law enforcement to access  
8           personal information of the individual during  
9           the investigation,

10          “(D) provide information regarding actions  
11          the individual may take in order to protect the  
12          individual from harm relating to the unauthor-  
13          ized use, and

14          “(E) offer identity protection measures to  
15          the individual, such as the use of an identity  
16          protection personal identification number, and

17          “(2) at the time the information described in  
18          paragraph (1) is provided (or, if not available at  
19          such time, as soon as practicable thereafter), issue  
20          additional notifications to such individual (or such  
21          individual’s designee) regarding—

22          “(A) whether an investigation has been ini-  
23          tiated in regards to such unauthorized use,

1           “(B) whether the investigation substan-  
2           tiated an unauthorized use of the identity of the  
3           individual, and

4           “(C) whether—

5                   “(i) any action has been taken against  
6                   a person relating to such unauthorized use,  
7                   or

8                   “(ii) any referral has been made for  
9                   criminal prosecution of such person and, to  
10                  the extent such information is available,  
11                  whether such person has been criminally  
12                  charged by indictment or information.

13          “(b) EMPLOYMENT-RELATED IDENTITY THEFT.—

14                  “(1) IN GENERAL.—For purposes of this sec-  
15                  tion, the unauthorized use of the identity of an indi-  
16                  vidual includes the unauthorized use of the identity  
17                  of the individual to obtain employment.

18                  “(2) DETERMINATION OF EMPLOYMENT-RE-  
19                  LATED IDENTITY THEFT.—For purposes of this sec-  
20                  tion, in making a determination as to whether there  
21                  has been or may have been an unauthorized use of  
22                  the identity of an individual to obtain employment,  
23                  the Secretary shall review any information—

24                          “(A) obtained from a statement described  
25                          in section 6051 or an information return relat-

1           ing to compensation for services rendered other  
2           than as an employee, or

3                   “(B) provided to the Internal Revenue  
4           Service by the Social Security Administration  
5           regarding any statement described in section  
6           6051,

7           which indicates that the social security account num-  
8           ber provided on such statement or information re-  
9           turn does not correspond with the name provided on  
10          such statement or information return or the name  
11          on the tax return reporting the income which is in-  
12          cluded on such statement or information return.”.

13          (b) ADDITIONAL MEASURES.—

14               (1) EXAMINATION OF BOTH PAPER AND ELEC-  
15          TRONIC STATEMENTS AND RETURNS.—The Sec-  
16          retary of the Treasury (or the Secretary’s delegate)  
17          shall examine the statements, information returns,  
18          and tax returns described in section 7529(b)(2) of  
19          the Internal Revenue Code of 1986 (as added by  
20          subsection (a)) for any evidence of employment-re-  
21          lated identity theft, regardless of whether such state-  
22          ments or returns are submitted electronically or on  
23          paper.

24               (2) IMPROVEMENT OF EFFECTIVE RETURN  
25          PROCESSING PROGRAM WITH SOCIAL SECURITY AD-

1       MINISTRATION.—Section 232 of the Social Security  
2       Act (42 U.S.C. 432) is amended by inserting after  
3       the third sentence the following: “For purposes of  
4       carrying out the return processing program de-  
5       scribed in the preceding sentence, the Commissioner  
6       of Social Security shall request, not less than annu-  
7       ally, such information described in section  
8       7529(b)(2) of the Internal Revenue Code of 1986 as  
9       may be necessary to ensure the accuracy of the  
10      records maintained by the Commissioner of Social  
11      Security related to the amounts of wages paid to,  
12      and the amounts of self-employment income derived  
13      by, individuals.”.

14           (3) UNDERREPORTING OF INCOME.—The Sec-  
15      retary (or the Secretary’s delegate) shall establish  
16      procedures to ensure that income reported in con-  
17      nection with the unauthorized use of a taxpayer’s  
18      identity is not taken into account in determining any  
19      penalty for underreporting of income by the victim  
20      of identity theft.

21           (c) CLERICAL AMENDMENT.—The table of sections  
22      for chapter 77 is amended by adding at the end the fol-  
23      lowing new item:

“Sec. 7529. Notification of suspected identity theft.”.

24           (d) EFFECTIVE DATE.—The amendments made by  
25      this section shall apply to determinations made after the

1 date that is 6 months after the date of the enactment of  
2 this Act.

3 **SEC. 2009. GUIDELINES FOR STOLEN IDENTITY REFUND**  
4 **FRAUD CASES.**

5 (a) IN GENERAL.—Not later than 1 year after the  
6 date of the enactment of this Act, the Secretary (or the  
7 Secretary’s delegate), in consultation with the National  
8 Taxpayer Advocate, shall develop and implement publicly  
9 available guidelines for management of cases involving sto-  
10 len identity refund fraud in a manner that reduces the  
11 administrative burden on taxpayers who are victims of  
12 such fraud.

13 (b) STANDARDS AND PROCEDURES TO BE CONSID-  
14 ERED.—The guidelines described in subsection (a) may in-  
15 clude—

16 (1) standards for—

17 (A) the average length of time in which a  
18 case involving stolen identity refund fraud  
19 should be resolved;

20 (B) the maximum length of time, on aver-  
21 age, a taxpayer who is a victim of stolen iden-  
22 tity refund fraud and is entitled to a tax refund  
23 which has been stolen should have to wait to re-  
24 ceive such refund; and

1 (C) the maximum number of offices and  
2 employees within the Internal Revenue Service  
3 with whom a taxpayer who is a victim of stolen  
4 identity refund fraud should be required to  
5 interact in order to resolve a case;

6 (2) standards for opening, assigning, reas-  
7 signing, or closing a case involving stolen identity re-  
8 fund fraud; and

9 (3) procedures for implementing and accom-  
10 plishing the standards described in paragraphs (1)  
11 and (2), and measures for evaluating such proce-  
12 dures and determining whether such standards have  
13 been successfully implemented.

14 **SEC. 2010. INCREASED PENALTY FOR IMPROPER DISCLO-**  
15 **SURE OR USE OF INFORMATION BY PRE-**  
16 **PARERS OF RETURNS.**

17 (a) IN GENERAL.—Section 6713 is amended—

18 (1) by redesignating subsections (b) and (c) as  
19 subsections (c) and (d), respectively; and

20 (2) by inserting after subsection (a) the fol-  
21 lowing new subsection:

22 “(b) ENHANCED PENALTY FOR IMPROPER USE OR  
23 DISCLOSURE RELATING TO IDENTITY THEFT.—

24 “(1) IN GENERAL.—In the case of a disclosure  
25 or use described in subsection (a) that is made in



1 connection with a crime relating to the misappropriation of another person's taxpayer identity (as defined in section 6103(b)(6)), whether or not such  
2 crime involves any tax filing, subsection (a) shall be  
3 applied—  
4

5 “(A) by substituting ‘\$1,000’ for ‘\$250’,  
6 and  
7

8 “(B) by substituting ‘\$50,000’ for  
9 ‘\$10,000’.

10 “(2) SEPARATE APPLICATION OF TOTAL PEN-  
11 ALTY LIMITATION.—The limitation on the total  
12 amount of the penalty under subsection (a) shall be  
13 applied separately with respect to disclosures or uses  
14 to which this subsection applies and to which it does  
15 not apply.”.

16 (b) CRIMINAL PENALTY.—Section 7216(a) is amend-  
17 ed by striking “\$1,000” and inserting “\$1,000 (\$100,000  
18 in the case of a disclosure or use to which section 6713(b)  
19 applies)”.

20 (c) EFFECTIVE DATE.—The amendments made by  
21 this section shall apply to disclosures or uses on or after  
22 the date of the enactment of this Act.

1                   **Subtitle B—Development of**  
2                   **Information Technology**

3   **SEC. 2101. MANAGEMENT OF INTERNAL REVENUE SERVICE**  
4                   **INFORMATION TECHNOLOGY.**

5           (a) DUTIES AND RESPONSIBILITIES OF INTERNAL  
6 REVENUE SERVICE CHIEF INFORMATION OFFICER.—Sec-  
7 tion 7803, as amended by section 1001, is amended by  
8 adding at the end the following new subsection:

9           “(f) INTERNAL REVENUE SERVICE CHIEF INFORMA-  
10 TION OFFICER.—

11                   “(1) IN GENERAL.—There shall be in the Inter-  
12 nal Revenue Service an Internal Revenue Service  
13 Chief Information Officer (hereafter referred to in  
14 this subsection as the ‘IRS CIO’) who shall be ap-  
15 pointed by the Commissioner of Internal Revenue.

16                   “(2) CENTRALIZED RESPONSIBILITY FOR IN-  
17 TERNAL REVENUE SERVICE INFORMATION TECH-  
18 NOLOGY.—The Commissioner of Internal Revenue  
19 (and the Secretary) shall act through the IRS CIO  
20 with respect to all development, implementation, and  
21 maintenance of information technology for the Inter-  
22 nal Revenue Service. Any reference in this sub-  
23 section to the IRS CIO which directs the IRS CIO  
24 to take any action, or to assume any responsibility,

1 shall be treated as a reference to the Commissioner  
2 of Internal Revenue acting through the IRS CIO.

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

5 “(A) be responsible for the development,  
6 implementation, and maintenance of informa-  
7 tion technology for the Internal Revenue Serv-  
8 ice,

9 “(B) ensure that the information tech-  
10 nology of the Internal Revenue Service is secure  
11 and integrated,

12 “(C) maintain operational control of all in-  
13 formation technology for the Internal Revenue  
14 Service,

15 “(D) be the principal advocate for the in-  
16 formation technology needs of the Internal Rev-  
17 enue Service, and

18 “(E) consult with the Chief Procurement  
19 Officer of the Internal Revenue Service to en-  
20 sure that the information technology acquired  
21 for the Internal Revenue Service is consistent  
22 with—

23 “(i) the goals and requirements speci-  
24 fied in subparagraphs (A) through (D),  
25 and

1                   “(ii) the strategic plan developed  
2                   under paragraph (4).

3                   “(4) STRATEGIC PLAN.—

4                   “(A) IN GENERAL.—The IRS CIO shall  
5                   develop and implement a multiyear strategic  
6                   plan for the information technology needs of the  
7                   Internal Revenue Service. Such plan shall—

8                   “(i) include performance measure-  
9                   ments of such technology and of the imple-  
10                  mentation of such plan,

11                  “(ii) include a plan for an integrated  
12                  enterprise architecture of the information  
13                  technology of the Internal Revenue Service,

14                  “(iii) include and take into account  
15                  the resources needed to accomplish such  
16                  plan,

17                  “(iv) take into account planned major  
18                  acquisitions of information technology by  
19                  the Internal Revenue Service, and

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

22                  “(B) PLAN UPDATES.—The IRS CIO  
23                  shall, not less frequently than annually, review  
24                  and update the strategic plan under subpara-  
25                  graph (A) (including the plan for an integrated

1 enterprise architecture described in subpara-  
2 graph (A)(ii)) to take into account the develop-  
3 ment of new information technology and the  
4 needs of the Internal Revenue Service.

5 “(5) SCOPE OF AUTHORITY.—

6 “(A) INFORMATION TECHNOLOGY.—For  
7 purposes of this subsection, the term ‘informa-  
8 tion technology’ has the meaning given such  
9 term by section 11101 of title 40, United States  
10 Code.

11 “(B) INTERNAL REVENUE SERVICE.—Any  
12 reference in this subsection to the Internal Rev-  
13 enue Service includes a reference to all compo-  
14 nents of the Internal Revenue Service, includ-  
15 ing—

16 “(i) the Office of the Taxpayer Advo-  
17 cate,

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

20 “(iii) except as otherwise provided by  
21 the Secretary with respect to information  
22 technology related to matters described in  
23 subsection (b)(3)(B), the Office of the  
24 Chief Counsel.”.

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

4 (1) IN GENERAL.—The Commissioner of Inter-  
5 nal Revenue shall enter into a contract with an inde-  
6 pendent reviewer to verify and validate the imple-  
7 mentation plans (including the performance mile-  
8 stones and cost estimates included in such plans) de-  
9 veloped for the Customer Account Data Engine 2  
10 and the Enterprise Case Management System.

11 (2) DEADLINE FOR COMPLETION.—Such con-  
12 tract shall require that such verification and valida-  
13 tion be completed not later than the date which is  
14 1 year after the date of the enactment of this Act.

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

16 (A) IN GENERAL.—Paragraphs (1) and (2)  
17 shall not apply to phase 1 of the Customer Ac-  
18 count Data Engine 2 and shall apply separately  
19 to each other phase.

20 (B) DEADLINE FOR COMPLETING  
21 PLANS.—Not later than 1 year after the date of  
22 the enactment of this Act, the Commissioner of  
23 Internal Revenue shall complete the develop-  
24 ment of plans for all phases of the Customer  
25 Account Data Engine 2.

1 (C) DEADLINE FOR COMPLETION OF  
2 VERIFICATION AND VALIDATION OF PLANS.—In  
3 the case of any phase after phase 2 of the Cus-  
4 tomer Account Data Engine 2, paragraph (2)  
5 shall be applied by substituting “the date on  
6 which the plan for such phase was completed”  
7 for “the date of the enactment of this Act”.

8 (e) COORDINATION OF IRS CIO AND CHIEF PRO-  
9 CUREMENT OFFICER OF THE INTERNAL REVENUE SERV-  
10 ICE.—

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

13 (A) identify all significant IRS information  
14 technology acquisitions and provide written no-  
15 tification to the Internal Revenue Service Chief  
16 Information Officer (hereafter referred to in  
17 this subsection as the “IRS CIO”) of each such  
18 acquisition in advance of such acquisition, and

19 (B) regularly consult with the IRS CIO re-  
20 garding acquisitions of information technology  
21 for the Internal Revenue Service, including  
22 meeting with the IRS CIO regarding such ac-  
23 quisitions upon request.

24 (2) SIGNIFICANT IRS INFORMATION TECH-  
25 NOLOGY ACQUISITIONS.—For purposes of this sub-

1 section, the term “significant IRS information tech-  
2 nology acquisitions” means—

3 (A) any acquisition of information tech-  
4 nology for the Internal Revenue Service in ex-  
5 cess of \$1,000,000; and

6 (B) such other acquisitions of information  
7 technology for the Internal Revenue Service (or  
8 categories of such acquisitions) as the IRS CIO,  
9 in consultation with the Chief Procurement Of-  
10 ficer of the Internal Revenue Service, may iden-  
11 tify.

12 (3) SCOPE.—Terms used in this subsection  
13 which are also used in section 7803(f) of the Inter-  
14 nal Revenue Code of 1986 (as added by subsection  
15 (a)) shall have the same meaning as when used in  
16 such section.

17 **SEC. 2102. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

18 (a) IN GENERAL.—Not later than January 1, 2023,  
19 the Secretary of the Treasury or the Secretary’s delegate  
20 (hereafter referred to in this section as the “Secretary”)  
21 shall make available an Internet website or other elec-  
22 tronic media, with a user interface and functionality simi-  
23 lar to the Business Services Online Suite of Services pro-  
24 vided by the Social Security Administration, that provides



1 access to resources and guidance provided by the Internal  
2 Revenue Service and allows persons to—

3 (1) prepare and file Forms 1099;

4 (2) prepare Forms 1099 for distribution to re-  
5 cipients other than the Internal Revenue Service;  
6 and

7 (3) maintain a record of completed, filed, and  
8 distributed Forms 1099.

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

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

16 (2) comply with applicable security standards  
17 and guidelines.

18 **SEC. 2103. STREAMLINED CRITICAL PAY AUTHORITY FOR**  
19 **INFORMATION TECHNOLOGY POSITIONS.**

20 (a) **IN GENERAL.**—Subchapter A of chapter 80 is  
21 amended by adding at the end the following new section:

1 **“SEC. 7812. STREAMLINED CRITICAL PAY AUTHORITY FOR**  
2 **INFORMATION TECHNOLOGY POSITIONS.**

3 “In the case of any position which is critical to the  
4 functionality of the information technology operations of  
5 the Internal Revenue Service—

6 “(1) section 9503 of title 5, United States  
7 Code, shall be applied—

8 “(A) by substituting ‘during the period be-  
9 ginning on the date of the enactment of section  
10 7812 of the Internal Revenue Code of 1986,  
11 and ending on September 30, 2025’ for ‘Before  
12 September 30, 2013 in subsection (a)’,

13 “(B) without regard to subparagraph (B)  
14 of subsection (a)(1), and

15 “(C) by substituting ‘the date of the enact-  
16 ment of the Taxpayer First Act of 2019’ for  
17 ‘June 1, 1998’ in subsection (a)(6),

18 “(2) section 9504 of such title 5 shall be ap-  
19 plied by substituting ‘During the period beginning  
20 on the date of the enactment of section 7812 of the  
21 Internal Revenue Code of 1986, and ending on Sep-  
22 tember 30, 2025’ for ‘Before September 30, 2013’  
23 each place it appears in subsections (a) and (b), and

24 “(3) section 9505 of such title shall be ap-  
25 plied—



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

3           (b) QUALIFIED DISCLOSURE.—For purposes of this  
4           section, the term “qualified disclosure” means a disclosure  
5           under section 6103(c) of the Internal Revenue Code of  
6           1986 of returns or return information by the Secretary  
7           to a person seeking to verify the income or creditworthi-  
8           ness of a taxpayer who is a borrower in the process of  
9           a loan application.

10          (c) APPLICATION OF SECURITY STANDARDS.—The  
11          Secretary shall ensure that the program described in sub-  
12          section (a) complies with applicable security standards and  
13          guidelines.

14          (d) USER FEE.—

15               (1) IN GENERAL.—During the 2-year period be-  
16               ginning on the first day of the 6th calendar month  
17               beginning after the date of the enactment of this  
18               Act, the Secretary shall assess and collect a fee for  
19               qualified disclosures (in addition to any other fee as-  
20               sessed and collected for such disclosures) at such  
21               rates as the Secretary determines are sufficient to  
22               cover the costs related to implementing the program  
23               described in subsection (a), including the costs of  
24               any necessary infrastructure or technology.

1           (2) DEPOSIT OF COLLECTIONS.—Amounts re-  
2           ceived from fees assessed and collected under para-  
3           graph (1) shall be deposited in, and credited to, an  
4           account solely for the purpose of carrying out the  
5           activities described in subsection (a). Such amounts  
6           shall be available to carry out such activities without  
7           need of further appropriation and without fiscal year  
8           limitation.

9   **SEC. 2202. LIMIT REDISCLOSURES AND USES OF CONSENT-**  
10                   **BASED DISCLOSURES OF TAX RETURN INFOR-**  
11                   **MATION.**

12           (a) IN GENERAL.—Section 6103(c) is amended by  
13           adding at the end the following: “Persons designated by  
14           the taxpayer under this subsection to receive return infor-  
15           mation shall not use the information for any purpose other  
16           than the express purpose for which consent was granted  
17           and shall not disclose return information to any other per-  
18           son without the express permission of, or request by, the  
19           taxpayer.”.

20           (b) APPLICATION OF PENALTIES.—Section  
21           6103(a)(3) is amended by inserting “subsection (c),” after  
22           “return information under”.

23           (c) EFFECTIVE DATE.—The amendments made by  
24           this section shall apply to disclosures made after the date

1 which is 180 days after the date of the enactment of this  
2 Act.

3 **Subtitle D—Expanded Use of**  
4 **Electronic Systems**

5 **SEC. 2301. ELECTRONIC FILING OF RETURNS.**

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

9 (b) APPLICABLE NUMBER.—Section 6011(e) is  
10 amended by striking paragraph (5) and inserting the fol-  
11 lowing new paragraphs:

12 “(5) APPLICABLE NUMBER.—

13 “(A) IN GENERAL.—For purposes of para-  
14 graph (2)(A), the applicable number shall be—

15 “(i) except as provided in subpara-  
16 graph (B), in the case of calendar years  
17 before 2021, 250,

18 “(ii) in the case of calendar year  
19 2021, 100, and

20 “(iii) in the case of calendar years  
21 after 2021, 10.

22 “(B) SPECIAL RULE FOR PARTNERSHIPS  
23 FOR 2018, 2019, 2020, AND 2021.—In the case of  
24 a partnership, for any calendar year before  
25 2022, the applicable number shall be—

1 “(i) in the case of calendar year 2018,  
2 200,

3 “(ii) in the case of calendar year  
4 2019, 150,

5 “(iii) in the case of calendar year  
6 2020, 100, and

7 “(iv) in the case of calendar year  
8 2021, 50.

9 “(6) PARTNERSHIPS REQUIRED TO FILE ON  
10 MAGNETIC MEDIA.—Notwithstanding paragraph  
11 (2)(A), the Secretary shall require partnerships hav-  
12 ing more than 100 partners to file returns on mag-  
13 netic media.”.

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

17 “(D) EXCEPTION FOR CERTAIN PRE-  
18 PARERS LOCATED IN AREAS WITHOUT INTER-  
19 NET ACCESS.—The Secretary may waive the re-  
20 quirement of subparagraph (A) if the Secretary  
21 determines, on the basis of an application by  
22 the tax return preparer, that the preparer can-  
23 not meet such requirement by reason of being  
24 located in a geographic area which does not

1           have access to internet service (other than dial-  
2           up or satellite service).”.

3           (d) CONFORMING AMENDMENT.—Section 6724(c) is  
4 amended by striking “250 information returns (more than  
5 100 information returns in the case of a partnership hav-  
6 ing more than 100 partners)” and inserting “the applica-  
7 ble number (determined under section 6011(e)(5) with re-  
8 spect to the calendar year to which such returns relate)  
9 of information returns”.

10          (e) EFFECTIVE DATE.—The amendments made by  
11 this section shall take effect on the date of the enactment  
12 of this Act.

13 **SEC. 2302. UNIFORM STANDARDS FOR THE USE OF ELEC-**  
14 **TRONIC SIGNATURES FOR DISCLOSURE AU-**  
15 **THORIZATIONS TO, AND OTHER AUTHORIZA-**  
16 **TIONS OF, PRACTITIONERS.**

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

18           “(3) PUBLISHED GUIDANCE.—

19                   “(A) IN GENERAL.—The Secretary shall  
20 publish guidance as appropriate to define and  
21 implement any waiver of the signature require-  
22 ments or any method adopted under paragraph  
23 (1).

24                   “(B) ELECTRONIC SIGNATURES FOR DIS-  
25 CLOSURE AUTHORIZATIONS TO, AND OTHER AU-



1 THORIZATIONS OF, PRACTITIONERS.—Not later  
2 than 6 months after the date of the enactment  
3 of this subparagraph, the Secretary shall pub-  
4 lish guidance to establish uniform standards  
5 and procedures for the acceptance of taxpayers’  
6 signatures appearing in electronic form with re-  
7 spect to any request for disclosure of a tax-  
8 payer’s return or return information under sec-  
9 tion 6103(c) to a practitioner or any power of  
10 attorney granted by a taxpayer to a practi-  
11 tioner.

12 “(C) PRACTITIONER.—For purposes of  
13 subparagraph (B), the term ‘practitioner’  
14 means any individual in good standing who is  
15 regulated under section 330 of title 31, United  
16 States Code.”.

17 **SEC. 2303. PAYMENT OF TAXES BY DEBIT AND CREDIT**  
18 **CARDS.**

19 Section 6311(d)(2) is amended by adding at the end  
20 the following: “The preceding sentence shall not apply to  
21 the extent that the Secretary ensures that any such fee  
22 or other consideration is fully recouped by the Secretary  
23 in the form of fees paid to the Secretary by persons paying  
24 taxes imposed under subtitle A with credit, debit, or  
25 charge cards pursuant to such contract. Notwithstanding

1 the preceding sentence, the Secretary shall seek to mini-  
2 mize the amount of any fee or other consideration that  
3 the Secretary pays under any such contract.”.

4 **SEC. 2304. AUTHENTICATION OF USERS OF ELECTRONIC**  
5 **SERVICES ACCOUNTS.**

6 Beginning 180 days after the date of the enactment  
7 of this Act, the Secretary of the Treasury (or the Sec-  
8 retary’s delegate) shall verify the identity of any individual  
9 opening an e-Services account with the Internal Revenue  
10 Service before such individual is able to use the e-Services  
11 tools.

12 **Subtitle E—Other Provisions**

13 **SEC. 2401. REPEAL OF PROVISION REGARDING CERTAIN**  
14 **TAX COMPLIANCE PROCEDURES AND RE-**  
15 **PORTS.**

16 Section 2004 of the Internal Revenue Service Re-  
17 structuring and Reform Act of 1998 (26 U.S.C. 6012  
18 note) is repealed.

19 **SEC. 2402. COMPREHENSIVE TRAINING STRATEGY.**

20 Not later than 1 year after the date of the enactment  
21 of this Act, the Commissioner of Internal Revenue shall  
22 submit to Congress a written report providing a com-  
23 prehensive training strategy for employees of the Internal  
24 Revenue Service, including—

1           (1) a plan to streamline current training pro-  
2           esses, including an assessment of the utility of fur-  
3           ther consolidating internal training programs, tech-  
4           nology, and funding;

5           (2) a plan to develop annual training regarding  
6           taxpayer rights, including the role of the Office of  
7           the Taxpayer Advocate, for employees that interface  
8           with taxpayers and the direct managers of such em-  
9           ployees;

10          (3) a plan to improve technology-based training;

11          (4) proposals to—

12                 (A) focus employee training on early, fair,  
13                 and efficient resolution of taxpayer disputes for  
14                 employees that interface with taxpayers and the  
15                 direct managers of such employees; and

16                 (B) ensure consistency of skill development  
17                 and employee evaluation throughout the Inter-  
18                 nal Revenue Service; and

19          (5) a thorough assessment of the funding nec-  
20          essary to implement such strategy.

1           **TITLE III—MISCELLANEOUS**  
2                           **PROVISIONS**  
3   **Subtitle A—Reform of Laws Gov-**  
4           **erning Internal Revenue Serv-**  
5           **ice Employees**

6   **SEC. 3001. PROHIBITION ON REHIRING ANY EMPLOYEE OF**  
7                           **THE INTERNAL REVENUE SERVICE WHO WAS**  
8                           **INVOLUNTARILY SEPARATED FROM SERVICE**  
9                           **FOR MISCONDUCT.**

10           (a) **IN GENERAL.**—Section 7804 is amended by add-  
11   ing at the end the following new subsection:

12           “(d) **PROHIBITION ON REHIRING EMPLOYEES INVOL-**  
13   **UNTARILY SEPARATED.**—The Commissioner may not hire  
14   any individual previously employed by the Commissioner  
15   who was removed for misconduct under this subchapter  
16   or chapter 43 or chapter 75 of title 5, United States Code,  
17   or whose employment was terminated under section 1203  
18   of the Internal Revenue Service Restructuring and Reform  
19   Act of 1998 (26 U.S.C. 7804 note).”.

20           (b) **EFFECTIVE DATE.**—The amendment made by  
21   subsection (a) shall apply with respect to the hiring of em-  
22   ployees after the date of the enactment of this Act.

1 **SEC. 3002. NOTIFICATION OF UNAUTHORIZED INSPECTION**  
2 **OR DISCLOSURE OF RETURNS AND RETURN**  
3 **INFORMATION.**

4 (a) **IN GENERAL.**—Subsection (e) of section 7431 is  
5 amended by adding at the end the following new sen-  
6 tences: “The Secretary shall also notify such taxpayer if  
7 the Internal Revenue Service or a Federal or State agency  
8 (upon notice to the Secretary by such Federal or State  
9 agency) proposes an administrative determination as to  
10 disciplinary or adverse action against an employee arising  
11 from the employee’s unauthorized inspection or disclosure  
12 of the taxpayer’s return or return information. The notice  
13 described in this subsection shall include the date of the  
14 unauthorized inspection or disclosure and the rights of the  
15 taxpayer under such administrative determination.”.

16 (b) **EFFECTIVE DATE.**—The amendment made by  
17 this section shall apply to determinations proposed after  
18 the date which is 180 days after the date of the enactment  
19 of this Act.

20 **Subtitle B—Provisions Relating to**  
21 **Exempt Organizations**

22 **SEC. 3101. MANDATORY E-FILING BY EXEMPT ORGANIZA-**  
23 **TIONS.**

24 (a) **IN GENERAL.**—Section 6033 is amended by re-  
25 designating subsection (n) as subsection (o) and by insert-  
26 ing after subsection (m) the following new subsection:

1           “(n) MANDATORY ELECTRONIC FILING.—Any orga-  
2 nization required to file a return under this section shall  
3 file such return in electronic form.”.

4           (b) CONFORMING AMENDMENT.—Paragraph (7) of  
5 section 527(j) is amended by striking “if the organization  
6 has” and all that follows through “such calendar year”.

7           (c) INSPECTION OF ELECTRONICALLY FILED AN-  
8 NUAL RETURNS.—Subsection (b) of section 6104 is  
9 amended by adding at the end the following: “Any annual  
10 return required to be filed electronically under section  
11 6033(n) shall be made available by the Secretary to the  
12 public as soon as practicable in a machine readable for-  
13 mat.”.

14           (d) EFFECTIVE DATE.—

15                 (1) IN GENERAL.—Except as provided in para-  
16 graph (2), the amendments made by this section  
17 shall apply to taxable years beginning after the date  
18 of the enactment of this Act.

19                 (2) TRANSITIONAL RELIEF.—

20                         (A) SMALL ORGANIZATIONS.—

21                                 (i) IN GENERAL.—In the case of any  
22 small organizations, or any other organiza-  
23 tions for which the Secretary of the Treas-  
24 ury or the Secretary’s delegate (hereafter  
25 referred to in this paragraph as the “Sec-

1           retary”) determines the application of the  
2           amendments made by this section would  
3           cause undue burden without a delay, the  
4           Secretary may delay the application of  
5           such amendments, but such delay shall not  
6           apply to any taxable year beginning on or  
7           after the date 2 years after of the enact-  
8           ment of this Act.

9                   (ii) SMALL ORGANIZATION.—For pur-  
10           poses of clause (i), the term “small organi-  
11           zation” means any organization—

12                           (I) the gross receipts of which for  
13           the taxable year are less than  
14           \$200,000; and

15                           (II) the aggregate gross assets of  
16           which at the end of the taxable year  
17           are less than \$500,000.

18                   (B) ORGANIZATIONS FILING FORM 990-  
19           T.—In the case of any organization described  
20           in section 511(a)(2) of the Internal Revenue  
21           Code of 1986 which is subject to the tax im-  
22           posed by section 511(a)(1) of such Code on its  
23           unrelated business taxable income, or any orga-  
24           nization required to file a return under section  
25           6033 of such Code and include information

1 under subsection (e) thereof, the Secretary may  
2 delay the application of the amendments made  
3 by this section, but such delay shall not apply  
4 to any taxable year beginning on or after the  
5 date 2 years after of the enactment of this Act.

6 **SEC. 3102. NOTICE REQUIRED BEFORE REVOCATION OF**  
7 **TAX-EXEMPT STATUS FOR FAILURE TO FILE**  
8 **RETURN.**

9 (a) IN GENERAL.—Section 6033(j)(1) is amended by  
10 striking “If an organization” and inserting the following:

11 “(A) NOTICE.—

12 “(i) IN GENERAL.—If an organization  
13 described in subsection (a)(1) or (i) fails to  
14 file the annual return or notice required  
15 under either subsection for 2 consecutive  
16 years, the Secretary shall notify the orga-  
17 nization—

18 “(I) that the Internal Revenue  
19 Service has no record of such a return  
20 or notice from such organization for 2  
21 consecutive years, and

22 “(II) about the revocation that  
23 will occur under subparagraph (B) if  
24 the organization fails to file such a re-  
25 turn or notice by the due date for the



1 next such return or notice required to  
2 be filed.

3 The notification under the preceding sen-  
4 tence shall include information about how  
5 to comply with the filing requirements  
6 under subsection (a)(1) and (i).

7 “(B) REVOCATION.—If an organization”.

8 (b) EFFECTIVE DATE.—The amendment made by  
9 this section shall apply to failures to file returns or notices  
10 for 2 consecutive years if the return or notice for the sec-  
11 ond year is required to be filed after December 31, 2019.

## 12 **Subtitle C—Revenue Provision**

### 13 **SEC. 3201. INCREASE IN PENALTY FOR FAILURE TO FILE.**

14 (a) IN GENERAL.—The second sentence of subsection  
15 (a) of section 6651 is amended by striking “\$205” and  
16 inserting “\$330”.

17 (b) INFLATION ADJUSTMENT.—Section 6651(j)(1) is  
18 amended—

19 (1) by striking “2014” and inserting “2020”,

20 (2) by striking “\$205” and inserting “\$330”,

21 and

22 (3) by striking “2013” and inserting “2019”.

1           (c) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to returns required to be filed after  
3 December 31, 2019.

