RULES COMMITTEE PRINT 115-87

TEXT OF THE HOUSE AMENDMENT TO THE

SENATE AMENDMENT TO H.R. 88

[Showing the text of the Retirement, Savings, and Other Tax Relief Act of 2018 and the Taxpayer First Act of 2018.]

In lieu of the matter proposed to be inserted by the Senate, insert the following:

DIVISION A—RETIREMENT, SAVINGS, AND OTHER TAX RELIEF ACT OF 2018

SECTION 1. SHORT TITLE, ETC.

(a) Short Title.—This division may be cited as the Retirement, Savings, and Other Tax Relief Act of 2018.

(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this division an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—The table of contents for this division is as follows:

Sec. 1. Short title, etc.

TITLE I—DISASTER TAX RELIEF

Sec. 101. Definitions.
Sec. 102. Special disaster-related rules for use of retirement funds.
Sec. 103. Employee retention credit for employers affected by qualified disasters.
Sec. 104. Other disaster-related tax relief provisions.
Sec. 105. Treatment of certain possessions.
Sec. 106. Automatic extension of filing deadline.

TITLE II—RETIREMENT AND SAVINGS

Subtitle A—Expanding and Preserving Retirement Savings

Sec. 201. Multiple employer plans; pooled employer plans.
Sec. 202. Rules relating to election of safe harbor 401(k) status.
Sec. 203. Certain taxable non-tuition fellowship and stipend payments treated as compensation for IRA purposes.
Sec. 204. Repeal of maximum age for traditional IRA contributions.
Sec. 205. Qualified employer plans prohibited from making loans through credit cards and other similar arrangements.
Sec. 206. Portability of lifetime income investments.
Sec. 207. Treatment of custodial accounts on termination of section 403(b) plans.
Sec. 208. Clarification of retirement income account rules relating to church-controlled organizations.
Sec. 209. Increase in 10 percent cap for automatic enrollment safe harbor after 1st plan year.
Sec. 210. Increase in credit limitation for small employer pension plan startup costs.
Sec. 211. Small employer automatic enrollment credit.
Sec. 212. Exemption from required minimum distribution rules for individuals with certain account balances.
Sec. 213. Elective deferrals by members of the Ready Reserve of a reserve component of the Armed Forces.

Subtitle B—Administrative Improvements

Sec. 221. Plan adopted by filing due date for year may be treated as in effect as of close of year.
Sec. 222. Modification of nondiscrimination rules to protect older, longer service participants.
Sec. 223. Fiduciary safe harbor for selection of lifetime income provider.
Sec. 224. Disclosure regarding lifetime income.
Sec. 225. Modification of PBGC premiums for CSEC plans.

Subtitle C—Other Savings Provisions

Sec. 231. Expansion of section 529 plans.
Sec. 232. Penalty-free withdrawals from retirement plans for individuals in case of birth of child or adoption.

TITLE III—REPEAL OR DELAY OF CERTAIN HEALTH-RELATED TAXES

Sec. 301. Extension of moratorium on medical device excise tax.
Sec. 302. Delay in implementation of excise tax on high cost employer-sponsored health coverage.
Sec. 303. Extension of suspension of annual fee on health insurance providers.
Sec. 304. Repeal of excise tax on indoor tanning services.
TITLE IV—CERTAIN EXPIRING PROVISIONS

Sec. 401. Railroad track maintenance credit made permanent.
Sec. 402. Biodiesel and renewable diesel provisions extended and phased out.

TITLE V—OTHER PROVISIONS

Sec. 502. Clarification of treatment of veterans as specified group for purposes of the low-income housing tax credit.
Sec. 503. Clarification of general public use requirement for qualified residential rental projects.
Sec. 504. Floor plan financing applicable to certain trailers and campers.
Sec. 505. Repeal of increase in unrelated business taxable income by disallowed fringe.
Sec. 506. Certain purchases of employee-owned stock disregarded for purposes of foundation tax on excess business holdings.
Sec. 507. Allowing 501(c)(3) organization to make statements relating to political campaign in ordinary course of carrying out its tax exempt purpose.
Sec. 508. Charitable organizations permitted to make collegiate housing and infrastructure grants.
Sec. 509. Restriction on regulation of contingency fees with respect to tax returns, etc.

TITLE I—DISASTER TAX RELIEF

SEC. 101. DEFINITIONS.

For purposes of this title—

(1) GENERAL DEFINITIONS.—

(A) QUALIFIED DISASTER AREA.—The term “qualified disaster area” means the Hurricane Florence disaster area; the Hurricane Michael disaster area; the Typhoon Mangkhut disaster area; the Typhoon Yutu disaster area; the Mendocino wildfire disaster area; the Camp and Woolsey wildfire disaster area; the Kilauea volcanic eruption and earthquakes disaster area; the Hawaii severe storms, flooding, landslides, and mudslides disaster area; the Wisconsin se-
vere storms, tornadoes, straight-line winds, flooding, and landslides disaster area; the Texas severe storms and flooding disaster area; the North Carolina tornado and severe storms disaster area; the Indiana severe storms and flooding disaster area; the Alabama severe storms and tornadoes disaster area; and the Tropical Storm Gita disaster area.

(B) QUALIFIED DISASTER ZONE.—The term “qualified disaster zone” means that portion of any qualified disaster area which is determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the qualified disaster with respect to such disaster area.

(C) QUALIFIED DISASTER.—The term “qualified disaster” means, with respect to any qualified disaster area, the disaster by reason of which a major disaster was declared with respect to such area.

(2) HURRICANE FLORENCE.—

(A) HURRICANE FLORENCE DISASTER AREA.—The term “Hurricane Florence disaster
“area” means an area with respect to which a major disaster has been declared by the President on or before December 17, 2018, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Florence.

(B) INCIDENT BEGINNING DATE.—The incident beginning date of Hurricane Florence is September 7, 2018.

(C) INCIDENT PERIOD.—The incident period of Hurricane Florence is the period beginning on the incident beginning date of Hurricane Florence and ending on October 8, 2018.

(3) HURRICANE MICHAEL.—

(A) HURRICANE MICHAEL DISASTER AREA.—The term “Hurricane Michael disaster area” means an area with respect to which a major disaster has been declared by the President on or before December 17, 2018, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Michael.

(B) INCIDENT BEGINNING DATE.—The incident beginning date of Hurricane Michael is October 7, 2018.
(C) INCIDENT PERIOD.—The incident period of Hurricane Michael is the period beginning on the incident beginning date of Hurricane Michael and ending on October 23, 2018.

(4) TYPHOON MANGKHUT.—

(A) TYPHOON MANGKHUT DISASTER AREA.—The term “Typhoon Mangkhut disaster area” means an area with respect to which a major disaster has been declared by the President on or before December 17, 2018, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Typhoon Mangkhut.

(B) INCIDENT BEGINNING DATE.—The incident beginning date of Typhoon Mangkhut is September 10, 2018.

(C) INCIDENT PERIOD.—The incident period of Typhoon Mangkhut is the period beginning on the incident beginning date of Typhoon Mangkhut and ending on September 11, 2018.

(5) TYPHOON YUTU.—

(A) TYPHOON YUTU DISASTER AREA.—The term “Typhoon Yutu disaster area” means an area with respect to which a major disaster has been declared by the President on or before De-
December 17, 2018, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Typhoon Yutu.

(B) INCIDENT BEGINNING DATE.—The incident beginning date of Typhoon Yutu is October 24, 2018.

(C) INCIDENT PERIOD.—The incident period of Typhoon Yutu is the period beginning on the incident beginning date of Typhoon Yutu and ending on October 26, 2018.

(6) MENDOCINO WILDFIRE.—

(A) MENDOCINO WILDFIRE DISASTER AREA.—The term “Mendocino wildfire disaster area” means an area with respect to which, during the period beginning on August 4, 2018, and ending on December 17, 2018, a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the wildfire in California commonly known as the Mendocino wildfire of 2018 (including the Carr wildfire of 2018).

(B) INCIDENT BEGINNING DATE.—The incident beginning date of the wildfires referred to in subparagraph (A) is July 23, 2018.
(C) INCIDENT PERIOD.—The incident period of the wildfires referred to in subparagraph (A) is the period beginning on the incident beginning date of such wildfires and ending on September 19, 2018.

(7) CAMP AND WOOLSEY WILDFIRES.—

(A) CAMP AND WOOLSEY WILDFIRE DISASTER AREA.—The term “Camp and Woolsey wildfire disaster area” means an area with respect to which, during the period beginning on November 12, 2018, and ending on December 17, 2018, a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the wildfires in California commonly known as the Camp and Woolsey wildfires of 2018 (including the Hill wildfire of 2018).

(B) INCIDENT BEGINNING DATE.—The incident beginning date of the wildfires referred to in subparagraph (A) is November 8, 2018.

(C) INCIDENT PERIOD.—The incident period of the wildfires referred to in subparagraph (A) is the period beginning on the incident be-
g:VHL/121718/121718.050.xml (7102427)

VerDate Nov 24 2008 11:49 Dec 17, 2018 Jkt 000000 PO 00000 Frm 00009 Fmt 6652 Sfmt 6201 C:\USERS\HWCHRI~1\APPDATA\ROAMING\SOFTQUAD\METAL\7.0\GEN\C\BRADTX~1

9

ginning date of such wildfires and ending on

November 25, 2018.

(8) KILAUEA VOLCANIC ERUPTION AND EARTH-

QUAKES.—

(A) KILAUEA VOLCANIC ERUPTION AND

EARTHQUAKES DISASTER AREA.—The term “Kilauea volcanic eruption and earthquakes dis-

aster area” means an area with respect to which, during the period beginning on May 11,

2018, and ending on December 17, 2018, a major disaster has been declared by the Presi-
dent under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance

Act by reason of the Kilauea volcanic eruption and earthquakes occurring in Hawaii during the

period beginning on May 3, 2018, and ending on August 17, 2018.

(B) INCIDENT BEGINNING DATE.—The in-

cident beginning date of the volcanic eruption and earthquakes referred to in subparagraph

(A) is May 3, 2018.

(C) INCIDENT PERIOD.—The incident pe-

riod of the volcanic eruption and earthquakes referred to in subparagraph (A) is the period

beginning on the incident beginning date with
respect to such eruption and earthquakes and ending on August 17, 2018.

(9) **Hawaii severe storms, flooding, landslides, and mudslides.**—

(A) **Hawaii severe storms, flooding, landslides, and mudslides disaster area.**—The term “Hawaii severe storms, flooding, landslides, and mudslides disaster area” means an area with respect to which, during the period beginning on May 8, 2018, and ending on December 17, 2018, a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the severe storms, flooding, landslides, and mudslides occurring in Hawaii during the period beginning on April 13, 2018, and ending on April 16, 2018.

(B) **Incident beginning date.**—The incident beginning date of the severe storms, flooding, landslides, and mudslides referred to in subparagraph (A) is April 13, 2018.

(C) **Incident period.**—The incident period of the severe storms, flooding, landslides, and mudslides referred to in subparagraph (A)
11

is the period beginning on the incident begin-
ning date with respect to such severe storms,
flooding, landslides, and mudslides and ending
on April 16, 2018.

(10) WISCONSIN SEVERE STORMS, TORNADOES,
STRAIGHT-LINE WINDS, FLOODING, AND LAND-
SLIDES.—

(A) WISCONSIN SEVERE STORMS, TORNA-
DOES, STRAIGHT-LINE WINDS, FLOODING, AND
LANDSLIDES DISASTER AREA.—The term “Wis-
consin severe storms, tornadoes, straight-line
winds, flooding, and landslides disaster area”
means an area with respect to which, during
the period beginning on October 18, 2018, and
ending on December 17, 2018, a major disaster
has been declared by the President under sec-
tion 401 of the Robert T. Stafford Disaster Re-
lief and Emergency Assistance Act by reason of
the severe storms, tornadoes, straight-line
winds, flooding, and landslides occurring in
Wisconsin during the period beginning on Au-
gust 17, 2018, and ending on September 14,
2018.

(B) INCIDENT BEGINNING DATE.—The in-
cident beginning date of the severe storms, tor-
nadoes, straight-line winds, flooding, and landslides referred to in subparagraph (A) is August 17, 2018.

(C) INCIDENT PERIOD.—The incident period of the severe storms, tornadoes, straight-line winds, flooding, and landslides referred to in subparagraph (A) is the period beginning on the incident beginning date with respect to such severe storms, tornadoes, straight-line winds, flooding, and landslides and ending on September 14, 2018.

(11) TEXAS SEVERE STORMS AND FLOODING.—

(A) TEXAS SEVERE STORMS AND FLOODING DISASTER AREA.—The term “Texas severe storms and flooding disaster area” means an area with respect to which, during the period beginning on July 6, 2018, and ending on December 17, 2018, a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the severe storms and flooding occurring in Texas during the period beginning on June 19, 2018, and ending on July 13, 2018.
(B) INCIDENT BEGINNING DATE.—The incident beginning date of the severe storms and flooding referred to in subparagraph (A) is June 19, 2018.

(C) INCIDENT PERIOD.—The incident period of the severe storms and flooding referred to in subparagraph (A) is the period beginning on the incident beginning date with respect to such severe storms and flooding and ending on July 13, 2018.

(12) NORTH CAROLINA TORNADO AND SEVERE STORMS.—

(A) NORTH CAROLINA TORNADO AND SEVERE STORMS DISASTER AREA.—The term “North Carolina tornado and severe storms disaster area” means an area with respect to which, during the period beginning on May 8, 2018, and ending on December 17, 2018, a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the tornado and severe storms occurring in North Carolina on April 15, 2018.

(B) INCIDENT BEGINNING DATE; INCIDENT PERIOD.—The incident beginning date, and the
incident period, of the tornado and severe
storms referred to in subparagraph (A) is April
15, 2018.

(13) INDIANA SEVERE STORMS AND FLOOD-
ing.—

(A) INDIANA SEVERE STORMS AND FLOOD-
ing DISASTER AREA.—The term “Indiana se-
vere storms and flooding disaster area” means
an area with respect to which, during the period
beginning on May 4, 2018, and ending on De-
cember 17, 2018, a major disaster has been de-
clared by the President under section 401 of
the Robert T. Stafford Disaster Relief and
Emergency Assistance Act by reason of the se-
vere storms and flooding occurring in Indiana
during the period beginning on February 14,

(B) INCIDENT BEGINNING DATE.—The in-
cident beginning date of the severe storms and
flooding referred to in subparagraph (A) is
February 14, 2018.

(C) INCIDENT PERIOD.—The incident pe-
riod of the severe storms and flooding referred
to in subparagraph (A) is the period beginning
on the incident beginning date with respect to
such severe storms and flooding and ending on
March 4, 2018.

(14) ALABAMA SEVERE STORMS AND TORNADOES.—

(A) ALABAMA SEVERE STORMS AND TORNADOES DISASTER AREA.—The term “Alabama severe storms and tornadoes disaster area” means an area with respect to which, during the period beginning on April 26, 2018, and ending on December 17, 2018, a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of the severe storms and tornadoes occurring in Alabama during the period beginning on March 19, 2018, and ending on March 20, 2018.

(B) INCIDENT BEGINNING DATE.—The incident beginning date of the severe storms and tornadoes referred to in subparagraph (A) is March 19, 2018.

(C) INCIDENT PERIOD.—The incident period of the severe storms and tornadoes referred to in subparagraph (A) is the period beginning on the incident beginning date with respect to
such severe storms and tornadoes and ending on March 20, 2018.

(15) TROPICAL STORM GITA.—

(A) TROPICAL STORM GITA DISASTER AREA.—The term “Tropical Storm Gita disaster area” means an area with respect to which a major disaster has been declared by the President on or before December 17, 2018, under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Tropical Storm Gita.

(B) INCIDENT BEGINNING DATE.—The incident beginning date of Tropical Storm Gita is February 7, 2018.

(C) INCIDENT PERIOD.—The incident period of Tropical Storm Gita is the period beginning on the incident beginning date of Tropical Storm Gita and ending on February 12, 2018.

SEC. 102. SPECIAL DISASTER-RELATED RULES FOR USE OF RETIREMENT FUNDS.

(a) TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS.—

(1) IN GENERAL.—Section 72(t) of the Internal Revenue Code of 1986 shall not apply to any qualified disaster distribution.
(2) AGGREGATE DOLLAR LIMITATION.—

   (A) IN GENERAL.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified disaster distributions for any taxable year shall not exceed the excess (if any) of—

   (i) $100,000, over

   (ii) the aggregate amounts treated as qualified disaster distributions received by such individual for all prior taxable years.

   (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to subparagraph (A)) be a qualified disaster distribution, a plan shall not be treated as violating any requirement of the Internal Revenue Code of 1986 merely because the plan treats such distribution as a qualified disaster distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

   (C) CONTROLLED GROUP.—For purposes of subparagraph (B), the term “controlled
“group” means any group treated as a single employer under subsection (b), (e), (m), or (o) of section 414 of the Internal Revenue Code of 1986.

(D) SPECIAL RULE FOR INDIVIDUALS AFFECTED BY MORE THAN ONE DISASTER.—The limitation of subparagraph (A) shall be applied separately with respect to distributions made with respect to each qualified disaster which is described in a separate paragraph of section 101.

(3) AMOUNT DISTRIBUTED MAY BE REPAID.—

(A) IN GENERAL.—Any individual who receives a qualified disaster distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make 1 or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), of the Internal Revenue Code of 1986, as the case may be.
(B) Treatment of repayments of distributions from eligible retirement plans other than IRAs.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a qualified disaster distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified disaster distribution in an eligible rollover distribution (as defined in section 402(c)(4) of such Code) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(C) Treatment of repayments of distributions from IRAs.—For purposes of the Internal Revenue Code of 1986, if a contribution is made pursuant to subparagraph (A) with respect to a qualified disaster distribution from an individual retirement plan (as defined by section 7701(a)(37) of such Code), then, to the extent of the amount of the contribution, the qualified disaster distribution shall be treat-
ed as a distribution described in section 408(d)(3) of such Code and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

(4) DEFINITIONS.—For purposes of this subsection—

(A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2), the term “qualified disaster distribution” means any distribution from an eligible retirement plan made on or after the incident beginning date of a qualified disaster and before January 1, 2020, to an individual whose principal place of abode at any time during the incident period of such qualified disaster is located in the qualified disaster area with respect to such qualified disaster and who has sustained an economic loss by reason of such qualified disaster.

(B) ELIGIBLE RETIREMENT PLAN.—The term “eligible retirement plan” shall have the meaning given such term by section 402(c)(8)(B) of the Internal Revenue Code of 1986.
(5) Income inclusion spread over 3-year period.—

(A) In general.—In the case of any qualified disaster distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable-year period beginning with such taxable year.

(B) Special rule.—For purposes of subparagraph (A), rules similar to the rules of subparagraph (E) of section 408A(d)(3) of the Internal Revenue Code of 1986 shall apply.

(6) Special rules.—

(A) Exemption of distributions from trustee to trustee transfer and withholding rules.—For purposes of sections 401(a)(31), 402(f), and 3405 of the Internal Revenue Code of 1986, qualified disaster distributions shall not be treated as eligible rollover distributions.

(B) Qualified disaster distributions treated as meeting plan distribution requirements.—For purposes the Internal Revenue Code of 1986, a qualified disaster dis-
tribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(I), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A) of such Code.

(b) RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES.—

(1) RECONTRIBUTIONS.—

(A) IN GENERAL.—Any individual who received a qualified distribution may, during the applicable period, make 1 or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), of such Code, as the case may be.

(B) TREATMENT OF REPAYMENTS.—Rules similar to the rules of subparagraphs (B) and (C) of subsection (a)(3) shall apply for purposes of this subsection.
(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection, the term “qualified distribution” means any distribution—

(A) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), or 72(t)(2)(F), of the Internal Revenue Code of 1986,

(B) which was to be used to purchase or construct a principal residence in a qualified disaster area, but which was not so used on account of the qualified disaster with respect to such area, and

(C) which was received on or after January 1, 2018, and before the date which is 30 days after the last day of the incident period of such qualified disaster.

(3) APPLICABLE PERIOD.—For purposes of this subsection, the term “applicable period” means, in the case of a principal residence in a qualified disaster area with respect to any qualified disaster, the period beginning on the incident beginning date of such qualified disaster and ending on February 28, 2019.

c) LOANS FROM QUALIFIED PLANS.—
(1) **Increase in Limit on Loans Not Treated as Distributions.**—In the case of any loan from a qualified employer plan (as defined under section 72(p)(4) of the Internal Revenue Code of 1986) to a qualified individual made during the period beginning on the date of the enactment of this Act and ending on December 31, 2019—

(A) clause (i) of section 72(p)(2)(A) of such Code shall be applied by substituting “$100,000” for “$50,000”, and

(B) clause (ii) of such section shall be applied by substituting “the present value of the nonforfeitable accrued benefit of the employee under the plan” for “one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan”.

(2) **Delay of Repayment.**—In the case of a qualified individual (with respect to any qualified disaster) with an outstanding loan on or after the incident beginning date (of such qualified disaster) from a qualified employer plan (as defined in section 72(p)(4) of the Internal Revenue Code of 1986)—

(A) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) of such Code for any repayment with respect to such
loan occurs during the period beginning on the incident beginning date of such qualified disaster and ending on December 31, 2019, such due date shall be delayed for 1 year,

(B) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay, and

(C) in determining the 5-year period and the term of a loan under subparagraph (B) or (C) of section 72(p)(2) of such Code, the period described in subparagraph (A) of this paragraph shall be disregarded.

(3) QUALIFIED INDIVIDUAL.—For purposes of this subsection, the term “qualified individual” means any individual—

(A) whose principal place of abode at any time during the incident period of any qualified disaster is located in the qualified disaster area with respect to such qualified disaster, and

(B) who has sustained an economic loss by reason of such qualified disaster.

(d) PROVISIONS RELATING TO PLAN AMENDMENTS.—
(1) IN GENERAL.—If this subsection applies to any amendment to any plan or annuity contract, such plan or contract shall be treated as being operated in accordance with the terms of the plan during the period described in paragraph (2)(B)(i).

(2) AMENDMENTS TO WHICH SUBSECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any provision of this section, or pursuant to any regulation issued by the Secretary or the Secretary of Labor under any provision of this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2020, or such later date as the Secretary may prescribe.

In the case of a governmental plan (as defined in section 414(d) of the Internal Revenue Code of 1986), clause (ii) shall be applied by substituting the date which is 2 years after the date otherwise applied under clause (ii).
(B) CONDITIONS.—This subsection shall not apply to any amendment unless—

(i) during the period—

(I) beginning on the date that this section or the regulation described in subparagraph (A)(i) takes effect (or in the case of a plan or contract amendment not required by this section or such regulation, the effective date specified by the plan), and

(II) ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted),

the plan or contract is operated as if such plan or contract amendment were in effect, and

(ii) such plan or contract amendment applies retroactively for such period.

SEC. 103. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY QUALIFIED DISASTERS.

(a) IN GENERAL.—For purposes of section 38 of the Internal Revenue Code of 1986, in the case of an eligible employer, the 2018 qualified disaster employee retention credit shall be treated as a credit listed in subsection (b) of such section. For purposes of this subsection, the 2018
qualified disaster employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000.

(b) Definitions.—For purposes of this section—

(1) Eligible employer.—The term “eligible employer” means any employer—

(A) which conducted an active trade or business in a qualified disaster zone at any time during the incident period of the qualified disaster with respect to such qualified disaster zone, and

(B) with respect to whom the trade or business described in subparagraph (A) is inoperable at any time after the incident beginning date of such qualified disaster, and before January 1, 2019, as a result of damage sustained by reason of such qualified disaster.

(2) Eligible employee.—The term “eligible employee” means with respect to an eligible employer an employee whose principal place of employment at any time during the incident period of the
qualified disaster referred to in paragraph (1) with such eligible employer was in the qualified disaster zone referred to in such paragraph.

(3) QUALIFIED WAGES.—The term “qualified wages” means wages (as defined in section 51(c)(1) of the Internal Revenue Code of 1986, but without regard to section 3306(b)(2)(B) of such Code) paid or incurred by an eligible employer with respect to an eligible employee at any time after the incident beginning date of the qualified disaster referred to in paragraph (1), and before January 1, 2019, which occurs during the period—

(A) beginning on the date on which the trade or business described in paragraph (1) first became inoperable at the principal place of employment of the employee immediately before the qualified disaster referred to in such paragraph, and

(B) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or per-
forms services at such principal place of employment
before significant operations have resumed.

(c) Certain Rules to Apply.—For purposes of
this subsection, rules similar to the rules of sections
51(i)(1), 52, and 280C(a), of the Internal Revenue Code
of 1986, shall apply.

(d) Employee Not Taken into Account More
Than Once.—An employee shall not be treated as an eli-

gible employee for purposes of this subsection for any pe-

r iod with respect to any employer if such employer is al-

lowed a credit under section 51 of the Internal Revenue
Code of 1986 with respect to such employee for such pe-

r iod.

SEC. 104. OTHER DISASTER-RELATED TAX RELIEF PROVI-

SIONS.

(a) Temporary Suspension of Limitations on
Charitable Contributions.—

(1) In General.—Except as otherwise pro-

vided in paragraph (2), subsection (b) of section 170
of the Internal Revenue Code of 1986 shall not
apply to qualified contributions and such contribu-

tions shall not be taken into account for purposes of
applying subsections (b) and (d) of such section to
other contributions.
(2) **TREATMENT OF EXCESS CONTRIBUTIONS.**—

For purposes of section 170 of the Internal Revenue Code of 1986—

(A) **INDIVIDUALS.**—In the case of an individual—

(i) **LIMITATION.**—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer’s contribution base (as defined in subparagraph (H) of section 170(b)(1) of such Code) over the amount of all other charitable contributions allowed under section 170(b)(1) of such Code.

(ii) **CARRYOVER.**—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(1) of such Code) exceeds the limitation of clause (i), such excess shall be added to the excess described in the portion of subparagraph (A) of such section which precedes clause (i) thereof for purposes of applying such section.

(B) **CORPORATIONS.**—In the case of a corporation—
(i) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer’s taxable income (as determined under paragraph (2) of section 170(b) of such Code) over the amount of all other charitable contributions allowed under such paragraph.

(ii) CARRYOVER.—Rules similar to the rules of subparagraph (A)(ii) shall apply for purposes of this subparagraph.

(3) QUALIFIED CONTRIBUTIONS.—

(A) IN GENERAL.—For purposes of this subsection, the term “qualified contribution” means any charitable contribution (as defined in section 170(c) of the Internal Revenue Code of 1986) if—

(i) such contribution—

(I) is paid during the period beginning on February 7, 2018, and ending on December 31, 2018, in cash to an organization described in section 170(b)(1)(A) of such Code, and
(II) is made for relief efforts in one or more qualified disaster areas,

(ii) the taxpayer obtains from such organization contemporaneous written acknowledgment (within the meaning of section 170(f)(8) of such Code) that such contribution was used (or is to be used) for relief efforts described in clause (i)(II),

and

(iii) the taxpayer has elected the application of this subsection with respect to such contribution.

(B) EXCEPTION.—Such term shall not include a contribution by a donor if the contribution is—

(i) to an organization described in section 509(a)(3) of the Internal Revenue Code of 1986, or

(ii) for the establishment of a new, or maintenance of an existing, donor advised fund (as defined in section 4966(d)(2) of such Code).

(C) APPLICATION OF ELECTION TO PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation, the election
under subparagraph (A)(iii) shall be made separ- 
ately by each partner or shareholder.

(b) Special Rules for Qualified Disaster-related Personal Casualty Losses.—

(1) In general.—If an individual has a net 
disaster loss for any taxable year—

(A) the amount determined under section 
165(h)(2)(A)(ii) of the Internal Revenue Code 
of 1986 shall be equal to the sum of—

(i) such net disaster loss, and 

(ii) so much of the excess referred to 
in the matter preceding clause (i) of sec-
section 165(h)(2)(A) of such Code (reduced 
by the amount in clause (i) of this sub-
paragraph) as exceeds 10 percent of the 
adjusted gross income of the individual,

(B) section 165(h)(1) of such Code shall 
be applied by substituting “$500” for “$500 
($100 for taxable years beginning after Decem-
ber 31, 2009)”,

(C) the standard deduction determined 
under section 63(c) of such Code shall be in-
creased by the net disaster loss, and 

(D) section 56(b)(1)(E) of such Code shall 
not apply to so much of the standard deduction
as is attributable to the increase under sub-
paragraph (C) of this paragraph.

(2) NET DISASTER LOSS.—For purposes of this
subsection, the term “net disaster loss” means the
excess of qualified disaster-related personal casualty
losses over personal casualty gains (as defined in
section 165(h)(3)(A) of the Internal Revenue Code
of 1986).

(3) QUALIFIED DISASTER-RELATED PERSONAL
CASUALTY LOSSES.—For purposes of this sub-
section, the term “qualified disaster-related personal
casualty losses” means losses described in section
165(c)(3) of the Internal Revenue Code of 1986
which arise in a qualified disaster area on or after
the incident beginning date of the qualified disaster
to which such area relates, and which are attrib-
utable to such qualified disaster.

(c) SPECIAL RULE FOR DETERMINING EARNED IN-
COME.—

(1) IN GENERAL.—In the case of a qualified in-
dividual, if the earned income of the taxpayer for the
applicable taxable year is less than the earned in-
come of the taxpayer for the preceding taxable year,
the credits allowed under sections 24(d) and 32 of
the Internal Revenue Code of 1986 may, at the elec-
tion of the taxpayer, be determined by substituting—

(A) such earned income for the preceding taxable year, for

(B) such earned income for the applicable taxable year.

(2) QUALIFIED INDIVIDUAL.—For purposes of this subsection, the term “qualified individual” means any individual whose principal place of abode at any time during the incident period of any qualified disaster was located—

(A) in the qualified disaster zone with respect to such qualified disaster, or

(B) in the qualified disaster area with respect to such qualified disaster (but outside the qualified disaster zone with respect to such qualified disaster) and such individual was displaced from such principal place of abode by reason of such qualified disaster.

(3) APPLICABLE TAXABLE YEAR.—The term “applicable taxable year” means, with respect to any qualified individual, any taxable year which includes any day during the incident period of the qualified disaster to which the qualified disaster area referred to in paragraph (2) relates.
(4) **Earned Income.**—For purposes of this subsection, the term “earned income” has the meaning given such term under section 32(c) of the Internal Revenue Code of 1986.

(5) **Special Rules.**—

(A) **Application to Joint Returns.**—

For purposes of paragraph (1), in the case of a joint return for an applicable taxable year—

(i) such paragraph shall apply if either spouse is a qualified individual, and

(ii) the earned income of the taxpayer for the preceding taxable year shall be the sum of the earned income of each spouse for such preceding taxable year.

(B) **Uniform Application of Election.**—Any election made under paragraph (1) shall apply with respect to both sections 24(d) and 32 of the Internal Revenue Code of 1986.

(C) **Errors Treated as Mathematical Error.**—For purposes of section 6213 of the Internal Revenue Code of 1986, an incorrect use on a return of earned income pursuant to paragraph (1) shall be treated as a mathematical or clerical error.
(D) No effect on determination of gross income, etc.—Except as otherwise provided in this subsection, the Internal Revenue Code of 1986 shall be applied without regard to any substitution under paragraph (1).

SEC. 105. TREATMENT OF CERTAIN POSSESSIONS.

(a) Payments to Guam and the Commonwealth of the Northern Mariana Islands.—The Secretary of the Treasury shall pay to Guam and the Commonwealth of the Northern Mariana Islands amounts equal to the loss to that possession by reason of the application of the provisions of this title. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

(b) Payments to American Samoa.—

(1) In general.—The Secretary of the Treasury shall pay to American Samoa amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits that would have been provided to residents of American Samoa by reason of the provisions of this title if a mirror code tax system had been in effect in American Samoa. The preceding sentence shall not apply unless American Samoa has a plan, which has been approved by the Secretary of the Treasury, under which American
Samoa will promptly distribute such payments to its residents.

(2) Mirror Code Tax System.—For purposes of this subsection, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

(c) Treatment of Payments.—For purposes of section 1324 of title 31, United States Code, the payments under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

SEC. 106. AUTOMATIC EXTENSION OF FILING DEADLINE.

(a) In General.—Section 7508A is amended by adding at the end the following new subsection:

“(d) Mandatory 60-Day Extension.—In the case of—

“(1) any individual whose principal place of abode is in a disaster area (as defined in section 165(i)(5)(B)), and

“(2) any taxpayer if the taxpayer’s principal place of business (other than the business of per-
forming services of an employee) is located in a disaster area (as so defined),
the period beginning on the earliest incident date specified in the declaration to which such area relates and ending on the date which is 60 days after the latest incident date so specified shall be disregarded in the same manner as a period specified under subsection (a).”.
(b) Effective Date.—The amendment made by this section shall apply to Federally declared disasters declared after December 31, 2017.

TITLE II—RETIREMENT AND SAVINGS
Subtitle A—Expanding and Preserving Retirement Savings
SEC. 201. MULTIPLE EMPLOYER PLANS; POOLED EMPLOYER PLANS.
(a) Qualification Requirements.—
(1) In general.—Section 413 is amended by adding at the end the following new subsection:
“(e) Application of Qualification Requirements for Certain Multiple Employer Plans With Pooling Plan Providers.—
“(1) In general.—Except as provided in paragraph (2), if a defined contribution plan to which subsection (c) applies—
“(A) is maintained by employers which have a common interest other than having adopted the plan, or

“(B) in the case of a plan not described in subparagraph (A), has a pooled plan provider, then the plan shall not be treated as failing to meet the requirements under this title applicable to a plan described in section 401(a) or to a plan that consists of individual retirement accounts described in section 408 (including by reason of subsection (c) thereof), whichever is applicable, merely because one or more employers of employees covered by the plan fail to take such actions as are required of such employers for the plan to meet such requirements.

“(2) LIMITATIONS.—

“(A) IN GENERAL.—Paragraph (1) shall not apply to any plan unless the terms of the plan provide that in the case of any employer in the plan failing to take the actions described in paragraph (1)—

“(i) the assets of the plan attributable to employees of such employer (or beneficiaries of such employees) will be transferred to a plan maintained only by such employer (or its successor), to an eligible
retirement plan as defined in section 402(c)(8)(B) for each individual whose account is transferred, or to any other arrangement that the Secretary determines is appropriate, unless the Secretary determines it is in the best interests of the employees of such employer (and the beneficiaries of such employees) to retain the assets in the plan, and

“(ii) such employer (and not the plan with respect to which the failure occurred or any other employer in such plan) shall, except to the extent provided by the Secretary, be liable for any liabilities with respect to such plan attributable to employees of such employer (or beneficiaries of such employees).

“(B) FAILURES BY POOLED PLAN PROVIDERS.—If the pooled plan provider of a plan described in paragraph (1)(B) does not perform substantially all of the administrative duties which are required of the provider under paragraph (3)(A)(i) for any plan year, the Secretary may provide that the determination as to whether the plan meets the requirements under
this title applicable to a plan described in section 401(a) or to a plan that consists of individual retirement accounts described in section 408 (including by reason of subsection (c) thereof), whichever is applicable, shall be made in the same manner as would be made without regard to paragraph (1).

“(3) POOLED PLAN PROVIDER.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘pooled plan provider’ means, with respect to any plan, a person who—

“(i) is designated by the terms of the plan as a named fiduciary (within the meaning of section 402(a)(2) of the Employee Retirement Income Security Act of 1974), as the plan administrator, and as the person responsible to perform all administrative duties (including conducting proper testing with respect to the plan and the employees of each employer in the plan) which are reasonably necessary to ensure that—

“(I) the plan meets any requirement applicable under the Employee
Retirement Income Security Act of 1974 or this title to a plan described in section 401(a) or to a plan that consists of individual retirement accounts described in section 408 (including by reason of subsection (c) thereof), whichever is applicable, and "(II) each employer in the plan takes such actions as the Secretary or such person determines are necessary for the plan to meet the requirements described in subclause (I), including providing to such person any disclosures or other information which the Secretary may require or which such person otherwise determines are necessary to administer the plan or to allow the plan to meet such requirements, "(ii) registers as a pooled plan provider with the Secretary, and provides such other information to the Secretary as the Secretary may require, before beginning operations as a pooled plan provider,
“(iii) acknowledges in writing that such person is a named fiduciary (within the meaning of section 402(a)(2) of the Employee Retirement Income Security Act of 1974), and the plan administrator, with respect to the plan, and

“(iv) is responsible for ensuring that all persons who handle assets of, or who are fiduciaries of, the plan are bonded in accordance with section 412 of the Employee Retirement Income Security Act of 1974.

“(B) AUDITS, EXAMINATIONS AND INVESTIGATIONS.—The Secretary may perform audits, examinations, and investigations of pooled plan providers as may be necessary to enforce and carry out the purposes of this subsection.

“(C) AGGREGATION RULES.—For purposes of this paragraph, in determining whether a person meets the requirements of this paragraph to be a pooled plan provider with respect to any plan, all persons who perform services for the plan and who are treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as one person.
“(D) TREATMENT OF EMPLOYERS AS PLAN SPONSORS.—Except with respect to the administrative duties of the pooled plan provider described in subparagraph (A)(i), each employer in a plan which has a pooled plan provider shall be treated as the plan sponsor with respect to the portion of the plan attributable to employees of such employer (or beneficiaries of such employees).

“(4) GUIDANCE.—The Secretary shall issue such guidance as the Secretary determines appropriate to carry out this subsection, including guidance—

“(A) to identify the administrative duties and other actions required to be performed by a pooled plan provider under this subsection,

“(B) which describes the procedures to be taken to terminate a plan which fails to meet the requirements to be a plan described in paragraph (1), including the proper treatment of, and actions needed to be taken by, any employer in the plan and the assets and liabilities of the plan attributable to employees of such employer (or beneficiaries of such employees), and
“(C) identifying appropriate cases to which the rules of paragraph (2)(A) will apply to employers in the plan failing to take the actions described in paragraph (1).

The Secretary shall take into account under subparagraph (C) whether the failure of an employer or pooled plan provider to provide any disclosures or other information, or to take any other action, necessary to administer a plan or to allow a plan to meet requirements applicable to the plan under section 401(a) or 408, whichever is applicable, has continued over a period of time that demonstrates a lack of commitment to compliance.

“(5) MODEL PLAN.—The Secretary shall publish model plan language which meets the requirements of this subsection and of paragraphs (43) and (44) of section 3 of the Employee Retirement Income Security Act of 1974 and which may be adopted in order for a plan to be treated as a plan described in paragraph (1)(B).”.

(2) CONFORMING AMENDMENT.—Section 413(c)(2) is amended by striking “section 401(a)” and inserting “sections 401(a) and 408(e)”.

"
(3) **TECHNICAL AMENDMENT.**—Section 408(c) is amended by inserting after paragraph (2) the following new paragraph:

“(3) There is a separate accounting for any interest of an employee or member (or spouse of an employee or member) in a Roth IRA.”.

(b) **NO COMMON INTEREST REQUIRED FOR POOLED EMPLOYER PLANS.**—Section 3(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002(2)) is amended by adding at the end the following:

“(C) A pooled employer plan shall be treated as—

“(i) a single employee pension benefit plan or single pension plan; and

“(ii) a plan to which section 210(a) applies.”.

(c) **POOLED EMPLOYER PLAN AND PROVIDER DEFINED.**—

(1) **IN GENERAL.**—Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) is amended by adding at the end the following:

“(43) POOLED EMPLOYER PLAN.—

“(A) IN GENERAL.—The term ‘pooled employer plan’ means a plan—
“(i) which is an individual account plan established or maintained for the purpose of providing benefits to the employees of 2 or more employers;

“(ii) which is a plan described in section 401(a) of the Internal Revenue Code of 1986 which includes a trust exempt from tax under section 501(a) of such Code or a plan that consists of individual retirement accounts described in section 408 of such Code (including by reason of subsection (c) thereof); and

“(iii) the terms of which meet the requirements of subparagraph (B).

Such term shall not include a plan maintained by employers which have a common interest other than having adopted the plan.

“(B) REQUIREMENTS FOR PLAN TERMS.—

The requirements of this subparagraph are met with respect to any plan if the terms of the plan—

“(i) designate a pooled plan provider and provide that the pooled plan provider is a named fiduciary of the plan;
“(ii) designate one or more trustees meeting the requirements of section 408(a)(2) of the Internal Revenue Code of 1986 (other than an employer in the plan) to be responsible for collecting contributions to, and holding the assets of, the plan and require such trustees to implement written contribution collection procedures that are reasonable, diligent, and systematic;

“(iii) provide that each employer in the plan retains fiduciary responsibility for—

“(I) the selection and monitoring in accordance with section 404(a) of the person designated as the pooled plan provider and any other person who, in addition to the pooled plan provider, is designated as a named fiduciary of the plan; and

“(II) to the extent not otherwise delegated to another fiduciary by the pooled plan provider and subject to the provisions of section 404(c), the investment and management of the
portion of the plan’s assets attributable to the employees of the employer (or beneficiaries of such employees);

“(iv) provide that employers in the plan, and participants and beneficiaries, are not subject to unreasonable restrictions, fees, or penalties with regard to ceasing participation, receipt of distributions, or otherwise transferring assets of the plan in accordance with section 208 or paragraph (44)(C)(i)(II);

“(v) require—

“(I) the pooled plan provider to provide to employers in the plan any disclosures or other information which the Secretary may require, including any disclosures or other information to facilitate the selection or any monitoring of the pooled plan provider by employers in the plan; and

“(II) each employer in the plan to take such actions as the Secretary or the pooled plan provider determines are necessary to administer the plan
or for the plan to meet any requirement applicable under this Act or the Internal Revenue Code of 1986 to a plan described in section 401(a) of such Code or to a plan that consists of individual retirement accounts described in section 408 of such Code (including by reason of subsection (c) thereof), whichever is applicable, including providing any disclosures or other information which the Secretary may require or which the pooled plan provider otherwise determines are necessary to administer the plan or to allow the plan to meet such requirements; and

“(vi) provide that any disclosure or other information required to be provided under clause (v) may be provided in electronic form and will be designed to ensure only reasonable costs are imposed on pooled plan providers and employers in the plan.

“(C) EXCEPTIONS.—The term ‘pooled employer plan’ does not include—
“(i) a multiemployer plan; or

“(ii) a plan established before the date of the enactment of the Retirement, Savings, and Other Tax Relief Act of 2018 unless the plan administrator elects that the plan will be treated as a pooled employer plan and the plan meets the requirements of this title applicable to a pooled employer plan established on or after such date.

“(D) TREATMENT OF EMPLOYERS AS PLAN SPONSORS.—Except with respect to the administrative duties of the pooled plan provider described in paragraph (44)(A)(i), each employer in a pooled employer plan shall be treated as the plan sponsor with respect to the portion of the plan attributable to employees of such employer (or beneficiaries of such employees).

“(44) POOLED PLAN PROVIDER.—

“(A) IN GENERAL.—The term ‘pooled plan provider’ means a person who—

“(i) is designated by the terms of a pooled employer plan as a named fiduciary, as the plan administrator, and as the person responsible for the performance of all
administrative duties (including conducting proper testing with respect to the plan and the employees of each employer in the plan) which are reasonably necessary to ensure that—

“(I) the plan meets any requirement applicable under this Act or the Internal Revenue Code of 1986 to a plan described in section 401(a) of such Code or to a plan that consists of individual retirement accounts described in section 408 of such Code (including by reason of subsection (c) thereof), whichever is applicable; and

“(II) each employer in the plan takes such actions as the Secretary or pooled plan provider determines are necessary for the plan to meet the requirements described in subclause (I), including providing the disclosures and information described in paragraph (43)(B)(v)(II);

“(ii) registers as a pooled plan provider with the Secretary, and provides to the Secretary such other information as
the Secretary may require, before begin-
ning operations as a pooled plan provider;

“(iii) acknowledges in writing that
such person is a named fiduciary, and the
plan administrator, with respect to the
pooled employer plan; and

“(iv) is responsible for ensuring that
all persons who handle assets of, or who
are fiduciaries of, the pooled employer plan
are bonded in accordance with section 412.

“(B) Audits, Examinations and Investi-
gations.—The Secretary may perform au-
dits, examinations, and investigations of pooled
plan providers as may be necessary to enforce
and carry out the purposes of this paragraph
and paragraph (43).

“(C) Guidance.—The Secretary shall
issue such guidance as the Secretary determines
appropriate to carry out this paragraph and
paragraph (43), including guidance—

“(i) to identify the administrative du-
ties and other actions required to be per-
formed by a pooled plan provider under ei-
ther such paragraph; and
“(ii) which requires in appropriate cases that if an employer in the plan fails to take the actions required under subparagraph (A)(i)(II)—

“(I) the assets of the plan attributable to employees of such employer (or beneficiaries of such employees) are transferred to a plan maintained only by such employer (or its successor), to an eligible retirement plan as defined in section 402(c)(8)(B) of the Internal Revenue Code of 1986 for each individual whose account is transferred, or to any other arrangement that the Secretary determines is appropriate in such guidance; and

“(II) such employer (and not the plan with respect to which the failure occurred or any other employer in such plan) shall, except to the extent provided in such guidance, be liable for any liabilities with respect to such plan attributable to employees of such employer (or beneficiaries of such employees).
The Secretary shall take into account under clause (ii) whether the failure of an employer or pooled plan provider to provide any disclosures or other information, or to take any other action, necessary to administer a plan or to allow a plan to meet requirements described in subparagraph (A)(i)(II) has continued over a period of time that demonstrates a lack of commitment to compliance. The Secretary may waive the requirements of subclause (ii)(I) in appropriate circumstances if the Secretary determines it is in the best interests of the employees of the employer referred to in such clause (and the beneficiaries of such employees) to retain the assets in the plan with respect to which the employer’s failure occurred.

“(D) AGGREGATION RULES.—For purposes of this paragraph, in determining whether a person meets the requirements of this paragraph to be a pooled plan provider with respect to any plan, all persons who perform services for the plan and who are treated as a single employer under subsection (b), (e), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as one person.”.
(2) Bonding requirements for pooled employer plans.—The last sentence of section 412(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1112(a)) is amended by inserting “or in the case of a pooled employer plan (as defined in section 3(43))” after “section 407(d)(1))”. 

(3) Conforming and technical amendments.—Section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002) is amended—

(A) in paragraph (16)(B)—

(i) by striking “or” at the end of clause (ii); and

(ii) by striking the period at the end and inserting “, or (iv) in the case of a pooled employer plan, the pooled plan provider.”; and

(B) by striking the second paragraph (41).

(d) Pooled Employer and Multiple Employer Plan Reporting.—

(1) Additional information.—Section 103 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1023) is amended—

(A) in subsection (a)(1)(B), by striking “applicable subsections (d), (e), and (f)” and
inserting “applicable subsections (d), (e), (f),
and (g)”; and

(B) by amending subsection (g) to read as
follows:

“(g) ADDITIONAL INFORMATION WITH RESPECT TO
POOLED EMPLOYER AND MULTIPLE EMPLOYER
PLANS.—An annual report under this section for a plan
year shall include—

“(1) with respect to any plan to which section
210(a) applies (including a pooled employer plan), a
list of employers in the plan, a good faith estimate
of the percentage of total contributions made by
such employers during the plan year, and the aggre-
gate account balances attributable to each employer
in the plan (determined as the sum of the account
balances of the employees of such employer (and the
beneficiaries of such employees)); and

“(2) with respect to a pooled employer plan, the
identifying information for the person designated
under the terms of the plan as the pooled plan pro-
vider.”.

(2) SIMPLIFIED ANNUAL REPORTS.—Section
104(a) of the Employee Retirement Income Security
Act of 1974 (29 U.S.C. 1024(a)) is amended by
striking paragraph (2)(A) and inserting the following:

“(2)(A) With respect to annual reports required to be filed with the Secretary under this part, the Secretary may by regulation prescribe simplified annual reports for any pension plan that—

“(i) covers fewer than 100 participants; or

“(ii) is a plan described in section 210(a) that covers fewer than 1,000 participants, but only if no single employer in the plan has 100 or more participants covered by the plan.”.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2019.

(2) RULE OF CONSTRUCTION.—Nothing in the amendments made by subsection (a) shall be construed as limiting the authority of the Secretary of the Treasury or the Secretary’s delegate (determined without regard to such amendments) to provide for the proper treatment of a failure to meet any requirement applicable under the Internal Revenue Code of 1986 with respect to one employer (and its employees) in a multiple employer plan.
SEC. 202. RULES RELATING TO ELECTION OF SAFE HARBOR

401(k) STATUS.

(a) LIMITATION OF ANNUAL SAFE HARBOR NOTICE TO MATCHING CONTRIBUTION PLANS.—

(1) IN GENERAL.—Section 401(k)(12)(A) is amended by striking “if such arrangement” and all that follows and inserting “if such arrangement—

“(i) meets the contribution requirements of subparagraph (B) and the notice requirements of subparagraph (D), or

“(ii) meets the contribution requirements of subparagraph (C).”.

(2) AUTOMATIC CONTRIBUTION ARRANGEMENTS.—Section 401(k)(13)(B) is amended by striking “means” and all that follows and inserting “means a cash or deferred arrangement—

“(i) which is described in subparagraph (D)(i)(I) and meets the applicable requirements of subparagraphs (C) through (E), or

“(ii) which is described in subparagraph (D)(i)(II) and meets the applicable requirements of subparagraphs (C) and (D).”.

(b) NONELECTIVE CONTRIBUTIONS.—Section 401(k)(12) is amended by redesignating subparagraph (F)
as subparagraph (G), and by inserting after subparagraph (E) the following new subparagraph:

“(F) **Timing of Plan Amendment for Employer Making Nonelective Contributions.**—

“(i) **In General.**—Except as provided in clause (ii), a plan may be amended after the beginning of a plan year to provide that the requirements of subparagraph (C) shall apply to the arrangement for the plan year, but only if the amendment is adopted—

“(I) at any time before the 30th day before the close of the plan year, or

“(II) at any time before the last day under paragraph (8)(A) for distributing excess contributions for the plan year.

“(ii) **Exception Where Plan Provided for Matching Contributions.**—

Clause (i) shall not apply to any plan year if the plan provided at any time during the plan year that the requirements of sub-
paragraph (B) or paragraph (13)(D)(i)(I) applied to the plan year.

“(iii) 4-PERCENT CONTRIBUTION REQUIREMENT.—Clause (i)(II) shall not apply to an arrangement unless the amount of the contributions described in subparagraph (C) which the employer is required to make under the arrangement for the plan year with respect to any employee is an amount equal to at least 4 percent of the employee’s compensation.”.

(c) AUTOMATIC CONTRIBUTION ARRANGEMENTS.—Section 401(k)(13) is amended by adding at the end the following:

“(F) TIMING OF PLAN AMENDMENT FOR EMPLOYER MAKING NONELECTIVE CONTRIBUTIONS.—

“(i) IN GENERAL.—Except as provided in clause (ii), a plan may be amended after the beginning of a plan year to provide that the requirements of subparagraph (D)(i)(II) shall apply to the arrangement for the plan year, but only if the amendment is adopted—
“(I) at any time before the 30th day before the close of the plan year, or

“(II) at any time before the last day under paragraph (8)(A) for distributing excess contributions for the plan year.

“(ii) Exception where plan provided for matching contributions.—Clause (i) shall not apply to any plan year if the plan provided at any time during the plan year that the requirements of subparagraph (D)(i)(I) or paragraph (12)(B) applied to the plan year.

“(iii) 4-percent contribution requirement.—Clause (i)(II) shall not apply to an arrangement unless the amount of the contributions described in subparagraph (D)(i)(II) which the employer is required to make under the arrangement for the plan year with respect to any employee is an amount equal to at least 4 percent of the employee’s compensation.”.
(d) **Effective Date.**—The amendments made by this section shall apply to plan years beginning after December 31, 2018.

**SEC. 203. CERTAIN TAXABLE NON-TUITION FELLOWSHIP AND STIPEND PAYMENTS TREATED AS COMPENSATION FOR IRA PURPOSES.**

(a) **In General.**—Section 219(f)(1) is amended by adding at the end the following: “The term ‘compensation’ shall include any amount included in gross income and paid to an individual to aid the individual in the pursuit of graduate or postdoctoral study.”.

(b) **Effective Date.**—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.

**SEC. 204. REPEAL OF MAXIMUM AGE FOR TRADITIONAL IRA CONTRIBUTIONS.**

(a) **In General.**—Section 219(d) is amended by striking paragraph (1).

(b) **Conforming Amendment.**—Section 408A(c) is amended by striking paragraph (4) and by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(e) **Effective Date.**—The amendments made by this section shall apply to contributions made for taxable years beginning after December 31, 2018.
SEC. 205. QUALIFIED EMPLOYER PLANS PROHIBITED FROM MAKING LOANS THROUGH CREDIT CARDS AND OTHER SIMILAR ARRANGEMENTS.

(a) In General.—Section 72(p)(2) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new sub-
paragraph:

“(D) Prohibition of loans through credit cards and other similar arrangements.—Notwithstanding subparagraph (A), paragraph (1) shall apply to any loan which is made through the use of any credit card or any other similar arrangement.”.

(b) Effective Date.—The amendments made by subsection (a) shall apply to loans made after the date of the enactment of this Act.

SEC. 206. PORTABILITY OF LIFETIME INCOME INVESTMENTS.

(a) In General.—Section 401(a) is amended by inserting after paragraph (37) the following new paragraph:

“(38) Portability of lifetime income investments.—

“(A) In general.—Except as may be otherwise provided by regulations, a trust forming part of a defined contribution plan shall not be
treated as failing to constitute a qualified trust under this section solely by reason of allowing—

“(i) qualified distributions of a lifetime income investment, or

“(ii) distributions of a lifetime income investment in the form of a qualified plan distribution annuity contract,

on or after the date that is 90 days prior to the date on which such lifetime income investment is no longer authorized to be held as an investment option under the plan.

“(B) DEFINITIONS.—For purposes of this subsection—

“(i) the term ‘qualified distribution’ means a direct trustee-to-trustee transfer described in paragraph (31)(A) to an eligible retirement plan (as defined in section 402(c)(8)(B)),

“(ii) the term ‘lifetime income investment’ means an investment option which is designed to provide an employee with election rights—

“(I) which are not uniformly available with respect to other investment options under the plan, and
“(II) which are to a lifetime income feature available through a contract or other arrangement offered under the plan (or under another eligible retirement plan (as so defined), if paid by means of a direct trustee-to-trustee transfer described in paragraph (31)(A) to such other eligible retirement plan),

“(iii) the term ‘lifetime income feature’ means—

“(I) a feature which guarantees a minimum level of income annually (or more frequently) for at least the remainder of the life of the employee or the joint lives of the employee and the employee’s designated beneficiary, or

“(II) an annuity payable on behalf of the employee under which payments are made in substantially equal periodic payments (not less frequently than annually) over the life of the employee or the joint lives of the employee and the employee’s designated beneficiary, and
“(iv) the term ‘qualified plan distribution annuity contract’ means an annuity contract purchased for a participant and distributed to the participant by a plan or contract described in subparagraph (B) of section 402(c)(8) (without regard to clauses (i) and (ii) thereof).”.

(b) CASH OR DEFERRED ARRANGEMENT.—

(1) IN GENERAL.—Section 401(k)(2)(B)(i) is amended by striking “or” at the end of subclause (IV), by striking “and” at the end of subclause (V) and inserting “or”, and by adding at the end the following new subclause:

“(VI) except as may be otherwise provided by regulations, with respect to amounts invested in a lifetime income investment (as defined in subsection (a)(38)(B)(ii)), the date that is 90 days prior to the date that such lifetime income investment may no longer be held as an investment option under the arrangement, and”.

(2) DISTRIBUTION REQUIREMENT.—Section 401(k)(2)(B), as amended by paragraph (1), is amended by striking “and” at the end of clause (i),
by striking the semicolon at the end of clause (ii) and inserting “, and”, and by adding at the end the following new clause:

“(iii) except as may be otherwise provided by regulations, in the case of amounts described in clause (i)(VI), will be distributed only in the form of a qualified distribution (as defined in subsection (a)(38)(B)(i)) or a qualified plan distribution annuity contract (as defined in subsection (a)(38)(B)(iv)),”.

(c) Section 403(b) Plans.—

(1) Annuity Contracts.—Section 403(b)(11) is amended by striking “or” at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting “, or”, and by inserting after subparagraph (C) the following new subparagraph:

“(D) except as may be otherwise provided by regulations, with respect to amounts invested in a lifetime income investment (as defined in section 401(a)(38)(B)(ii))—

“(i) on or after the date that is 90 days prior to the date that such lifetime income investment may no longer be held
as an investment option under the contract, and

“(ii) in the form of a qualified distribution (as defined in section 401(a)(38)(B)(i)) or a qualified plan distribution annuity contract (as defined in section 401(a)(38)(B)(iv)).”.

(2) CUSTODIAL ACCOUNTS.—Section 403(b)(7)(A) is amended by striking “if—” and all that follows and inserting “if the amounts are to be invested in regulated investment company stock to be held in that custodial account, and under the custodial account—

“(i) no such amounts may be paid or made available to any distributee (unless such amount is a distribution to which section 72(t)(2)(G) applies) before—

“(I) the employee dies,

“(II) the employee attains age 59½,

“(III) the employee has a severance from employment,

“(IV) the employee becomes disabled (within the meaning of section 72(m)(7)),

72
“(V) in the case of contributions made pursuant to a salary reduction agreement (within the meaning of section 3121(a)(5)(D)), the employee encounters financial hardship, or

“(VI) except as may be otherwise provided by regulations, with respect to amounts invested in a lifetime income investment (as defined in section 401(a)(38)(B)(ii)), the date that is 90 days prior to the date that such lifetime income investment may no longer be held as an investment option under the contract, and

“(ii) in the case of amounts described in clause (i)(VI), such amounts will be distributed only in the form of a qualified distribution (as defined in section 401(a)(38)(B)(i)) or a qualified plan distribution annuity contract (as defined in section 401(a)(38)(B)(iv)).”.

(d) ELIGIBLE DEFERRED COMPENSATION PLANS.—

(1) IN GENERAL.—Section 457(d)(1)(A) is amended by striking “or” at the end of clause (ii),
by inserting “or” at the end of clause (iii), and by
adding after clause (iii) the following:

“(iv) except as may be otherwise pro-
vided by regulations, in the case of a plan
maintained by an employer described in
subsection (c)(1)(A), with respect to
amounts invested in a lifetime income in-
vestment (as defined in section
401(a)(38)(B)(ii)), the date that is 90
days prior to the date that such lifetime
income investment may no longer be held
as an investment option under the plan,”.

(2) DISTRIBUTION REQUIREMENT.—Section
457(d)(1) is amended by striking “and” at the end
of subparagraph (B), by striking the period at the
end of subparagraph (C) and inserting “, and”, and
by inserting after subparagraph (C) the following
new subparagraph:

“(D) except as may be otherwise provided
by regulations, in the case of amounts described
in subparagraph (A)(iv), such amounts will be
distributed only in the form of a qualified dis-
tribution (as defined in section
401(a)(38)(B)(i)) or a qualified plan distribu-
tion annuity contract (as defined in section 401(a)(38)(B)(iv)).”.

(e) Effective Date.—The amendments made by this section shall apply to plan years beginning after December 31, 2018.

SEC. 207. TREATMENT OF CUSTODIAL ACCOUNTS ON TERMINATION OF SECTION 403(b) PLANS.

Not later than six months after the date of enactment of this Act, the Secretary of the Treasury shall issue guidance to provide that, if an employer terminates the plan under which amounts are contributed to a custodial account under subparagraph (A) of section 403(b)(7), the plan administrator or custodian may distribute an individual custodial account in kind to a participant or beneficiary of the plan and the distributed custodial account shall be maintained by the custodian on a tax-deferred basis as a section 403(b)(7) custodial account, similar to the treatment of fully-paid individual annuity contracts under Revenue Ruling 2011–7, until amounts are actually paid to the participant or beneficiary. The guidance shall provide further (i) that the section 403(b)(7) status of the distributed custodial account is generally maintained if the custodial account thereafter adheres to the requirements of section 403(b) that are in effect at the time of the distribution of the account and (ii) that a custodial account
would not be considered distributed to the participant or beneficiary if the employer has any material retained rights under the account (but the employer would not be treated as retaining material rights simply because the custodial account was originally opened under a group contract).

SEC. 208. CLARIFICATION OF RETIREMENT INCOME ACCOUNT RULES RELATING TO CHURCH-CONTROLLED ORGANIZATIONS.

(a) IN GENERAL.—Section 403(b)(9)(B) is amended by inserting “(including an employee described in section 414(e)(3)(B))” after “employee described in paragraph (1)”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to years beginning before, on, or after the date of the enactment of this Act.

SEC. 209. INCREASE IN 10 PERCENT CAP FOR AUTOMATIC ENROLLMENT SAFE HARBOR AFTER 1ST PLAN YEAR.

(a) IN GENERAL.—Section 401(k)(13)(C)(iii) is amended by striking “does not exceed 10 percent” and inserting “does not exceed 15 percent (10 percent during the period described in subclause (I))”.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2018.

SEC. 210. INCREASE IN CREDIT LIMITATION FOR SMALL EMPLOYER PENSION PLAN STARTUP COSTS.

(a) IN GENERAL.—Paragraph (1) of section 45E(b) is amended to read as follows:

“(1) for the first credit year and each of the 2 taxable years immediately following the first credit year, the greater of—

“(A) $500, or

“(B) the lesser of—

“(i) $250 for each employee of the eligible employer who is not a highly compensated employee (as defined in section 414(q)) and who is eligible to participate in the eligible employer plan maintained by the eligible employer, or

“(ii) $1,500, and”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2018.
SEC. 211. SMALL EMPLOYER AUTOMATIC ENROLLMENT CREDIT.

(a) In General.—Section 45E is amended by adding at the end the following new subsection:"

“(f) Credit for Auto-enrollment Option for Retirement Savings Options.—

“(1) In General.—The credit allowed under subsection (a) for any taxable year during an eligible employer’s retirement auto-enrollment credit period shall be increased (without regard to subsection (b)) by $500.

“(2) Retirement Auto-enrollment Credit Period.—

“(A) In General.—The retirement auto-enrollment credit period with respect to any eligible employer is the 3-taxable-year period beginning with the first taxable year for which the employer includes an eligible automatic contribution arrangement (as defined in section 414(w)(3)) in a qualified employer plan (as defined in section 4972(d)) sponsored by the employer.

“(B) Maintenance of Arrangement.—
No taxable year with respect to an employer shall be treated as occurring within the retirement auto-enrollment credit period unless the
arrangement described in subparagraph (A) is included in the plan for such year.

“(3) NOT LIMITED TO NEW PLANS.—This subsection shall be applied without regard to subsection (c)(2).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2018.

SEC. 212. EXEMPTION FROM REQUIRED MINIMUM DISTRIBUTION RULES FOR INDIVIDUALS WITH CERTAIN ACCOUNT BALANCES.

(a) IN GENERAL.—Section 401(a)(9) is amended by adding at the end the following new subparagraph:

“(H) EXCEPTION FROM REQUIRED MINIMUM DISTRIBUTIONS DURING LIFE OF EMPLOYEE WHERE ASSETS DO NOT EXCEED $50,000.—

“(i) IN GENERAL.—If on the last day of any calendar year the aggregate value of an employee’s entire interest under all applicable eligible retirement plans does not exceed $50,000, then the requirements of subparagraph (A) with respect to any distribution relating to such year shall not apply with respect to such employee.
“(ii) Applicable eligible retirement plan.—For purposes of this sub-
paragraph, the term ‘applicable eligible retirement plan’ means an eligible retirement
plan (as defined in section 402(c)(8)(B)) other than a defined benefit plan.

“(iii) Limit on required minimum distribution.—The required minimum
distribution determined under subpara-
graph (A) for an employee under all appli-
cable eligible retirement plans shall not ex-
ceed an amount equal to the excess of—

“(I) the aggregate value of an
employee’s entire interest under such
plans on the last day of the calendar
year to which such distribution re-
lates, over

“(II) the dollar amount in effect
under clause (i) for such calendar
year.

The Secretary in regulations or other guid-
ance may provide how such amount shall
be distributed in the case of an individual
with more than one applicable eligible re-
tirement plan.
“(iv) Inflation Adjustment.—In the case of any calendar year beginning after 2019, the $50,000 amount in clause (i) shall be increased by an amount equal to—

“(I) such dollar amount, multiplied by

“(II) the cost of living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting ‘calendar year 2018’ for ‘calendar year 2016’ in subparagraph (A)(ii) thereof.

Any increase determined under this clause shall be rounded to the next lowest multiple of $5,000.

“(v) Plan Administrator Reliance on Employee Certification.—An applicable eligible retirement plan described in clause (iii), (iv), (v), or (vi) of section 402(c)(8)(B) shall not be treated as failing to meet the requirements of this paragraph in the case of any failure to make a required minimum distribution for a calendar year if—
“(I) the aggregate value of an employee’s entire interest under all applicable eligible retirement plans of the employer on the last day of the calendar year to which such distribution relates does not exceed the dollar amount in effect for such year under clause (i), and

“(II) the employee certifies that the aggregate value of the employee’s entire interest under all applicable eligible retirement plans on the last day of the calendar year to which such distribution relates did not exceed the dollar amount in effect for such year under clause (i).

“(vi) AGGREGATION RULE.—All employers treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer for purposes of clause (v).”.

(b) PLAN ADMINISTRATOR REPORTING.—Section 6047 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:
“(h) ACCOUNT BALANCE FOR PARTICIPANTS WHO HAVE ATTAINED AGE 69.—

“(1) IN GENERAL.—Not later than January 31 of each year, the plan administrator (as defined in section 414(g)) of each applicable eligible retirement plan (as defined in section 401(a)(9)(H)) shall make a return to the Secretary with respect to each participant of such plan who has attained age 69 as of the end of the preceding calendar year which states—

“(A) the name and plan number of the plan,

“(B) the name and address of the plan administrator,

“(C) the name, address, and taxpayer identification number of the participant, and

“(D) the account balance of such participant as of the end of the preceding calendar year.

“(2) STATEMENT FURNISHED TO PARTICIPANT.—Every person required to make a return under paragraph (1) with respect to a participant shall furnish a copy of such return to such participant.
“(3) APPLICATION TO INDIVIDUAL RETIREMENT PLANS AND ANNUITIES.—In the case of an applicable eligible retirement plan described in clause (i) or (ii) of section 402(c)(8)(B)—

“(A) any reference in this subsection to the plan administrator shall be treated as a reference to the trustee or issuer, as the case may be, and

“(B) any reference in this subsection to the participant shall be treated as a reference to the individual for whom such account or annuity is maintained.”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions required to be made in calendar years beginning more than 120 days after the date of the enactment of this Act.

SEC. 213. ELECTIVE DEFERRALS BY MEMBERS OF THE READY RESERVE OF A RESERVE COMPONENT OF THE ARMED FORCES.

(a) IN GENERAL.—Section 402(g) is amended by adding at the end the following new paragraph:

“(9) ELECTIVE DEFERRALS BY MEMBERS OF READY RESERVE.—

“(A) IN GENERAL.—In the case of a qualified ready reservist for any taxable year, the
limitations of subparagraphs (A) and (C) of paragraph (1) shall be applied separately with respect to—

“(i) elective deferrals of such qualified ready reservist with respect to compensation described in subparagraph (B), and

“(ii) all other elective deferrals of such qualified ready reservist.

“(B) QUALIFIED READY RESERVIST.—For purposes of this paragraph, the term ‘qualified ready reservist’ means any individual for any taxable year if such individual received compensation for service as a member of the Ready Reserve of a reserve component (as defined in section 101 of title 37, United States Code) during such taxable year.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to plan years beginning after December 31, 2018.

Subtitle B—Administrative Improvements

SEC. 221. PLAN ADOPTED BY FILING DUE DATE FOR YEAR MAY BE TREATED AS IN EFFECT AS OF CLOSE OF YEAR.

(a) IN GENERAL.—Section 401(b) is amended—
(1) by striking “RETROACTIVE CHANGES IN
PLAN.—A stock bonus” and inserting “PLAN
AMENDMENTS.—
“(1) CERTAIN RETROACTIVE CHANGES IN
PLAN.—A stock bonus”, and

(2) by adding at the end the following new
paragraph:
“(2) ADOPTION OF PLAN.—If an employer
adopts a stock bonus, pension, profit-sharing, or an-
uity plan after the close of a taxable year but be-
fore the time prescribed by law for filing the employ-
er’s return of tax for the taxable year (including ex-
tensions thereof), the employer may elect to treat
the plan as having been adopted as of the last day
of the taxable year.”.

(b) EFFECTIVE DATE.—The amendments made by
this section shall apply to plans adopted for taxable years
beginning after December 31, 2018.

SEC. 222. MODIFICATION OF NONDISCRIMINATION RULES
TO PROTECT OLDER, LONGER SERVICE PAR-
TICIPANTS.

(a) IN GENERAL.—Section 401 is amended—

(1) by redesignating subsection (o) as sub-
section (p), and
(2) by inserting after subsection (n) the fol-
lowing new subsection:

“(o) Special Rules for Applying Non-
discrimination Rules to Protect Older, Longer
Service and Grandfathered Participants.—

“(1) Testing of Defined Benefit Plans
with Closed Classes of Participants.—

“(A) Benefits, rights, or features
provided to closed classes.—A defined
benefit plan which provides benefits, rights, or
features to a closed class of participants shall
not fail to satisfy the requirements of sub-
section (a)(4) by reason of the composition of
such closed class or the benefits, rights, or fea-
tures provided to such closed class, if—

“(i) for the plan year as of which the
class closes and the 2 succeeding plan
years, such benefits, rights, and features
satisfy the requirements of subsection
(a)(4) (without regard to this subpara-
graph but taking into account the rules of
subparagraph (I)),

“(ii) after the date as of which the
class was closed, any plan amendment
which modifies the closed class or the ben-
efits, rights, and features provided to such closed class does not discriminate significantly in favor of highly compensated employees, and

“(iii) the class was closed before April 5, 2017, or the plan is described in subparagraph (C).

“(B) AGGREGATE TESTING WITH DEFINED CONTRIBUTION PLANS PERMITTED ON A BENEFITS BASIS.—

“(i) IN GENERAL.—For purposes of determining compliance with subsection (a)(4) and section 410(b), a defined benefit plan described in clause (iii) may be aggregated and tested on a benefits basis with 1 or more defined contribution plans, including with the portion of 1 or more defined contribution plans which—

“(I) provides matching contributions (as defined in subsection (m)(4)(A)),

“(II) provides annuity contracts described in section 403(b) which are purchased with matching contributions or nonelective contributions, or
“(III) consists of an employee stock ownership plan (within the meaning of section 4975(e)(7)) or a tax credit employee stock ownership plan (within the meaning of section 409(a)).

“(ii) Special rules for matching contributions.—For purposes of clause (i), if a defined benefit plan is aggregated with a portion of a defined contribution plan providing matching contributions—

“(I) such defined benefit plan must also be aggregated with any portion of such defined contribution plan which provides elective deferrals described in subparagraph (A) or (C) of section 402(g)(3), and

“(II) such matching contributions shall be treated in the same manner as nonelective contributions, including for purposes of applying the rules of subsection (l).

“(iii) Plans described.—A defined benefit plan is described in this clause if—
“(I) the plan provides benefits to a closed class of participants,

“(II) for the plan year as of which the class closes and the proceeding plan years, the plan satisfies the requirements of section 410(b) and subsection (a)(4) (without regard to this subparagraph but taking into account the rules of subparagraph (I)),

“(III) after the date as of which the class was closed, any plan amendment which modifies the closed class or the benefits provided to such closed class does not discriminate significantly in favor of highly compensated employees, and

“(IV) the class was closed before April 5, 2017, or the plan is described in subparagraph (C).

“(C) PLANS DESCRIBED.—A plan is described in this subparagraph if, taking into account any predecessor plan—
“(i) such plan has been in effect for at least 5 years as of the date the class is closed, and

“(ii) during the 5-year period preceding the date the class is closed, there has not been a substantial increase in the coverage or value of the benefits, rights, or features described in subparagraph (A) or in the coverage or benefits under the plan described in subparagraph (B)(iii) (whichever is applicable).

“(D) Determination of Substantial Increase for Benefits, Rights, and Features.—In applying subparagraph (C)(ii) for purposes of subparagraph (A)(iii), a plan shall be treated as having had a substantial increase in coverage or value of the benefits, rights, or features described in subparagraph (A) during the applicable 5-year period only if, during such period—

“(i) the number of participants covered by such benefits, rights, or features on the date such period ends is more than 50 percent greater than the number of
such participants on the first day of the
plan year in which such period began, or

“(ii) such benefits, rights, and fea-
tures have been modified by 1 or more
plan amendments in such a way that, as of
the date the class is closed, the value of
such benefits, rights, and features to the
closed class as a whole is substantially
greater than the value as of the first day
of such 5-year period, solely as a result of
such amendments.

“(E) DETERMINATION OF SUBSTANTIAL
INCREASE FOR AGGREGATE TESTING ON BENE-
FUNITS BASIS.—In applying subparagraph (C)(ii)
for purposes of subparagraph (B)(iii)(IV), a
plan shall be treated as having had a substan-
tial increase in coverage or benefits during the
applicable 5-year period only if, during such pe-
riod—

“(i) the number of participants bene-
fitting under the plan on the date such pe-
riod ends is more than 50 percent greater
than the number of such participants on
the first day of the plan year in which such
period began, or
“(ii) the average benefit provided to such participants on the date such period ends is more than 50 percent greater than the average benefit provided on the first day of the plan year in which such period began.

“(F) Certain employees disregarded.—For purposes of subparagraphs (D) and (E), any increase in coverage or value or in coverage or benefits, whichever is applicable, which is attributable to such coverage and value or coverage and benefits provided to employees—

“(i) who became participants as a result of a merger, acquisition, or similar event which occurred during the 7-year period preceding the date the class is closed, or

“(ii) who became participants by reason of a merger of the plan with another plan which had been in effect for at least 5 years as of the date of the merger, shall be disregarded, except that clause (ii) shall apply for purposes of subparagraph (D) only if, under the merger, the benefits, rights,
(G) RULES RELATING TO AVERAGE BENEFIT.—For purposes of subparagraph (E)—

“(i) the average benefit provided to participants under the plan will be treated as having remained the same between the 2 dates described in subparagraph (E)(ii) if the benefit formula applicable to such participants has not changed between such dates, and

“(ii) if the benefit formula applicable to 1 or more participants under the plan has changed between such 2 dates, then the average benefit under the plan shall be considered to have increased by more than 50 percent only if—

“(I) the total amount determined under section 430(b)(1)(A)(i) for all participants benefitting under the plan for the plan year in which the 5-year period described in subparagraph (E) ends, exceeds
“(II) the total amount determined under section 430(b)(1)(A)(i) for all such participants for such plan year, by using the benefit formula in effect for each such participant for the first plan year in such 5-year period, by more than 50 percent.

In the case of a CSEC plan (as defined in section 414(y)), the normal cost of the plan (as determined under section 433(j)(1)(B)) shall be used in lieu of the amount determined under section 430(b)(1)(A)(i).

“(H) TREATMENT AS SINGLE PLAN.—For purposes of subparagraphs (E) and (G), a plan described in section 413(c) shall be treated as a single plan rather than as separate plans maintained by each employer in the plan.

“(I) SPECIAL RULES.—For purposes of subparagraphs (A)(i) and (B)(iii)(II), the following rules shall apply:

“(i) In applying section 410(b)(6)(C), the closing of the class of participants shall not be treated as a significant change in coverage under section 410(b)(6)(C)(i)(II).
“(ii) 2 or more plans shall not fail to be eligible to be aggregated and treated as a single plan solely by reason of having different plan years.

“(iii) Changes in the employee population shall be disregarded to the extent attributable to individuals who become employees or cease to be employees, after the date the class is closed, by reason of a merger, acquisition, divestiture, or similar event.

“(iv) Aggregation and all other testing methodologies otherwise applicable under subsection (a)(4) and section 410(b) may be taken into account.

The rule of clause (ii) shall also apply for purposes of determining whether plans to which subparagraph (B)(i) applies may be aggregated and treated as 1 plan for purposes of determining whether such plans meet the requirements of subsection (a)(4) and section 410(b).

“(J) SPUN-OFF PLANS.—For purposes of this paragraph, if a portion of a defined benefit plan described in subparagraph (A) or (B)(iii) is spun off to another employer and the spun-
off plan continues to satisfy the requirements
of—

“(i) subparagraph (A)(i) or (B)(iii)(II), whichever is applicable, if the
original plan was still within the 3-year pe-
period described in such subparagraph at the
time of the spin off, and

“(ii) subparagraph (A)(ii) or (B)(iii)(III), whichever is applicable,
the treatment under subparagraph (A) or (B)
of the spun-off plan shall continue with respect
to such other employer.

“(2) Testing of Defined Contribution
Plans.—

“(A) Testing on a Benefits Basis.—A
defined contribution plan shall be permitted to
be tested on a benefits basis if—

“(i) such defined contribution plan
provides make-whole contributions to a
closed class of participants whose accruals
under a defined benefit plan have been re-
duced or eliminated,

“(ii) for the plan year of the defined
contribution plan as of which the class eli-
gible to receive such make-whole contribu-
tions closes and the 2 succeeding plan years, such closed class of participants satisfies the requirements of section 410(b)(2)(A)(i) (determined by applying the rules of paragraph (1)(I)),

“(iii) after the date as of which the class was closed, any plan amendment to the defined contribution plan which modifies the closed class or the allocations, benefits, rights, and features provided to such closed class does not discriminate significantly in favor of highly compensated employees, and

“(iv) the class was closed before April 5, 2017, or the defined benefit plan under clause (i) is described in paragraph (1)(C) (as applied for purposes of paragraph (1)(B)(iii)(IV)).

“(B) AGGREGATION WITH PLANS INCLUDING MATCHING CONTRIBUTIONS.—

“(i) IN GENERAL.—With respect to 1 or more defined contribution plans described in subparagraph (A), for purposes of determining compliance with subsection (a)(4) and section 410(b), the portion of
such plans which provides make-whole contributions or other nonelective contributions may be aggregated and tested on a benefits basis with the portion of 1 or more other defined contribution plans which—

“(I) provides matching contributions (as defined in subsection (m)(4)(A)),

“(II) provides annuity contracts described in section 403(b) which are purchased with matching contributions or nonelective contributions, or

“(III) consists of an employee stock ownership plan (within the meaning of section 4975(e)(7)) or a tax credit employee stock ownership plan (within the meaning of section 409(a)).

“(ii) SPECIAL RULES FOR MATCHING CONTRIBUTIONS.—Rules similar to the rules of paragraph (1)(B)(ii) shall apply for purposes of clause (i).

“(C) SPECIAL RULES FOR TESTING DEFINED CONTRIBUTION PLAN FEATURES PRO-
VIDING MATCHING CONTRIBUTIONS TO CERTAIN OLDER, LONGER SERVICE PARTICIPANTS.—In the case of a defined contribution plan which provides benefits, rights, or features to a closed class of participants whose accruals under a defined benefit plan have been reduced or eliminated, the plan shall not fail to satisfy the requirements of subsection (a)(4) solely by reason of the composition of the closed class or the benefits, rights, or features provided to such closed class if the defined contribution plan and defined benefit plan otherwise meet the requirements of subparagraph (A) but for the fact that the make-whole contributions under the defined contribution plan are made in whole or in part through matching contributions.

“(D) SPUN-OFF PLANS.—For purposes of this paragraph, if a portion of a defined contribution plan described in subparagraph (A) or (C) is spun off to another employer, the treatment under subparagraph (A) or (C) of the spun-off plan shall continue with respect to the other employer if such plan continues to comply with the requirements of clauses (ii) (if the original plan was still within the 3-year period
described in such clause at the time of the spin
off) and (iii) of subparagraph (A), as deter-

mined for purposes of subparagraph (A) or (C),

whichever is applicable.

“(3) Definitions.—For purposes of this sub-

section—

“(A) Make-whole contributions.—Except as otherwise provided in paragraph (2)(C),

the term ‘make-whole contributions’ means non-
elective allocations for each employee in the

class which are reasonably calculated, in a con-
sistent manner, to replace some or all of the re-

tirement benefits which the employee would

have received under the defined benefit plan

and any other plan or qualified cash or deferred

arrangement under subsection (k)(2) if no

change had been made to such defined benefit

plan and such other plan or arrangement. For

purposes of the preceding sentence, consistency

shall not be required with respect to employees

who were subject to different benefit formulas

under the defined benefit plan.

“(B) References to closed class of

participants.—References to a closed class of

participants and similar references to a closed
class shall include arrangements under which 1 or more classes of participants are closed, except that 1 or more classes of participants closed on different dates shall not be aggregated for purposes of determining the date any such class was closed.

“(C) HIGHLY COMPENSATED EMPLOYEE.— The term ‘highly compensated employee’ has the meaning given such term in section 414(q).”.

(b) PARTICIPATION REQUIREMENTS.—Section 401(a)(26) is amended by adding at the end the following new subparagraph:

“(I) PROTECTED PARTICIPANTS.—

“(i) IN GENERAL.—A plan shall be deemed to satisfy the requirements of subparagraph (A) if—

“(I) the plan is amended—

“(aa) to cease all benefit accruals, or

“(bb) to provide future benefit accruals only to a closed class of participants,

“(II) the plan satisfies subparagraph (A) (without regard to this sub-
paragraph) as of the effective date of
the amendment, and

“(III) the amendment was adopt-
ed before April 5, 2017, or the plan is
described in clause (ii).

“(ii) PLANS DESCRIBED.—A plan is
described in this clause if the plan would
be described in subsection (o)(1)(C), as ap-
plied for purposes of subsection
(o)(1)(B)(iii)(IV) and by treating the effec-
tive date of the amendment as the date the
class was closed for purposes of subsection
(o)(1)(C).

“(iii) SPECIAL RULES.—For purposes
of clause (i)(II), in applying section
410(b)(6)(C), the amendments described in
clause (i) shall not be treated as a signifi-
cant change in coverage under section
410(b)(6)(C)(i)(II).

“(iv) SPUN-OFF PLANS.—For pur-
poses of this subparagraph, if a portion of
a plan described in clause (i) is spun off to
another employer, the treatment under
clause (i) of the spun-off plan shall con-
tinue with respect to the other employer.”.
(c) **Effective Date.**—

(1) **In General.**—Except as provided in paragraph (2), the amendments made by this section shall take effect on the date of the enactment of this Act, without regard to whether any plan modifications referred to in such amendments are adopted or effective before, on, or after such date of enactment.

(2) **Special Rules.**—

(A) **Election of Earlier Application.**—At the election of the plan sponsor, the amendments made by this section shall apply to plan years beginning after December 31, 2013.

(B) **Closed Classes of Participants.**—For purposes of paragraphs (1)(A)(iii), (1)(B)(iii)(IV), and (2)(A)(iv) of section 401(o) of the Internal Revenue Code of 1986 (as added by this section), a closed class of participants shall be treated as being closed before April 5, 2017, if the plan sponsor’s intention to create such closed class is reflected in formal written documents and communicated to participants before such date.

(C) **Certain Post-Enactment Plan Amendments.**—A plan shall not be treated as failing to be eligible for the application of sec-
tion 401(o)(1)(A), 401(o)(1)(B)(iii), or 401(a)(26) of such Code (as added by this section) to such plan solely because in the case of—

(i) such section 401(o)(1)(A), the plan was amended before the date of the enactment of this Act to eliminate 1 or more benefits, rights, or features, and is further amended after such date of enactment to provide such previously eliminated benefits, rights, or features to a closed class of participants, or

(ii) such section 401(o)(1)(B)(iii) or section 401(a)(26), the plan was amended before the date of the enactment of this Act to cease all benefit accruals, and is further amended after such date of enactment to provide benefit accruals to a closed class of participants. Any such section shall only apply if the plan otherwise meets the requirements of such section and in applying such section, the date the class of participants is closed shall be the effective date of the later amendment.
SEC. 223. FIDUCIARY SAFE HARBOR FOR SELECTION OF LIFETIME INCOME PROVIDER.

Section 404 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1104) is amended by adding at the end the following:

“(e) SAFE HARBOR FOR ANNUITY SELECTION.—

“(1) IN GENERAL.—With respect to the selection of an insurer for a guaranteed retirement income contract, the requirements of subsection (a)(1)(B) will be deemed to be satisfied if a fiduciary—

“(A) engages in an objective, thorough, and analytical search for the purpose of identifying insurers from which to purchase such contracts;

“(B) with respect to each insurer identified under subparagraph (A)—

“(i) considers the financial capability of such insurer to satisfy its obligations under the guaranteed retirement income contract; and

“(ii) considers the cost (including fees and commissions) of the guaranteed retirement income contract offered by the insurer in relation to the benefits and product features of the contract and adminis-
trative services to be provided under such contract; and

“(C) on the basis of such consideration, concludes that—

“(i) at the time of the selection, the insurer is financially capable of satisfying its obligations under the guaranteed retirement income contract; and

“(ii) the relative cost of the selected guaranteed retirement income contract as described in subparagraph (B)(ii) is reasonable.

“(2) Financial capability of the insurer.—A fiduciary will be deemed to satisfy the requirements of paragraphs (1)(B)(i) and (1)(C)(i) if—

“(A) the fiduciary obtains written representations from the insurer that—

“(i) the insurer is licensed to offer guaranteed retirement income contracts;

“(ii) the insurer, at the time of selection and for each of the immediately preceding 7 plan years—

“(I) operates under a certificate of authority from the insurance com-
missioner of its domiciliary State which has not been revoked or sus-
pended;

“(II) has filed audited financial statements in accordance with the laws of its domiciliary State under ap-
plicable statutory accounting prin-
ciples;

“(III) maintains (and has main-
tained) reserves which satisfies all the statutory requirements of all States where the insurer does business; and

“(IV) is not operating under an order of supervision, rehabilitation, or liquidation;

“(iii) the insurer undergoes, at least every 5 years, a financial examination (within the meaning of the law of its domi-
ciliary State) by the insurance commis-
sioner of the domiciliary State (or repre-
sentative, designee, or other party ap-
proved by such commissioner); and

“(iv) the insurer will notify the fidu-
ciary of any change in circumstances oc-
curring after the provision of the represen-
tations in clauses (i), (ii), and (iii) which would preclude the insurer from making such representations at the time of issuance of the guaranteed retirement income contract; and

“(B) after receiving such representations and as of the time of selection, the fiduciary has not received any notice described in subparagraph (A)(iv) and is in possession of no other information which would cause the fiduciary to question the representations provided.

“(3) NO REQUIREMENT TO SELECT LOWEST COST.—Nothing in this subsection shall be construed to require a fiduciary to select the lowest cost contract. A fiduciary may consider the value of a contract, including features and benefits of the contract and attributes of the insurer (including, without limitation, the insurer’s financial strength) in conjunction with the cost of the contract.

“(4) TIME OF SELECTION.—

“(A) IN GENERAL.—For purposes of this subsection, the time of selection is—

“(i) the time that the insurer and the contract are selected for distribution of
benefits to a specific participant or beneficiar; or

“(ii) if the fiduciary periodically reviews the continuing appropriateness of the conclusion described in paragraph (1)(C) with respect to a selected insurer, taking into account the considerations described in such paragraph, the time that the insurer and the contract are selected to provide benefits at future dates to participants or beneficiaries under the plan.

Nothing in the preceding sentence shall be construed to require the fiduciary to review the appropriateness of a selection after the purchase of a contract for a participant or beneficiary.

“(B) Periodic review.—A fiduciary will be deemed to have conducted the periodic review described in subparagraph (A)(ii) if the fiduciary obtains the written representations described in clauses (i), (ii), and (iii) of paragraph (2)(A) from the insurer on an annual basis, unless the fiduciary receives any notice described in paragraph (2)(A)(iv) or otherwise becomes aware of facts that would cause the fiduciary to question such representations.
“(5) LIMITED LIABILITY.—A fiduciary which satisfies the requirements of this subsection shall not be liable following the distribution of any benefit, or the investment by or on behalf of a participant or beneficiary pursuant to the selected guaranteed retirement income contract, for any losses that may result to the participant or beneficiary due to an insurer’s inability to satisfy its financial obligations under the terms of such contract.

“(6) DEFINITIONS.—For purposes of this subsection—

“(A) INSURER.—The term ‘insurer’ means an insurance company, insurance service, or insurance organization, including affiliates of such companies.

“(B) GUARANTEED RETIREMENT INCOME CONTRACT.—The term ‘guaranteed retirement income contract’ means an annuity contract for a fixed term or a contract (or provision or feature thereof) which provides guaranteed benefits annually (or more frequently) for at least the remainder of the life of the participant or the joint lives of the participant and the participant’s designated beneficiary as part of an individual account plan.”.
SEC. 224. DISCLOSURE REGARDING LIFETIME INCOME.

(a) In General.—Subparagraph (B) of section 105(a)(2) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(a)(2)) is amended—

(1) in clause (i), by striking “and” at the end;

(2) in clause (ii), by striking “diversification.”

and inserting “diversification, and”; and

(3) by inserting at the end the following:

“(iii) the lifetime income disclosure described in subparagraph (D)(i).

In the case of pension benefit statements described in clause (i) of paragraph (1)(A), a lifetime income disclosure under clause (iii) of this subparagraph shall be required to be included in only one pension benefit statement during any one 12-month period.”.

(b) Lifetime Income.—Paragraph (2) of section 105(a) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1025(a)) is amended by adding at the end the following new subparagraph:

“(D) LIFETIME INCOME DISCLOSURE.—

“(i) In General.—

“(I) Disclosure.—A lifetime income disclosure shall set forth the lifetime income stream equivalent of the
total benefits accrued with respect to the participant or beneficiary.

“(II) LIFETIME INCOME STREAM EQUIVALENT OF THE TOTAL BENEFITS ACCRUED.—For purposes of this subparagraph, the term ‘lifetime income stream equivalent of the total benefits accrued’ means the amount of monthly payments the participant or beneficiary would receive if the total accrued benefits of such participant or beneficiary were used to provide lifetime income streams described in subclause (III), based on assumptions specified in rules prescribed by the Secretary.

“(III) LIFETIME INCOME STREAMS.—The lifetime income streams described in this subclause are a qualified joint and survivor annuity (as defined in section 205(d)), based on assumptions specified in rules prescribed by the Secretary, including the assumption that the participant or beneficiary has a spouse of
equal age, and a single life annuity. Such lifetime income streams may have a term certain or other features to the extent permitted under rules prescribed by the Secretary.

“(ii) MODEL DISCLOSURE.—Not later than 1 year after the date of the enactment of the Retirement, Savings, and Other Tax Relief Act of 2018, the Secretary shall issue a model lifetime income disclosure, written in a manner so as to be understood by the average plan participant, which—

“(I) explains that the lifetime income stream equivalent is only provided as an illustration;

“(II) explains that the actual payments under the lifetime income stream described in clause (i)(III) which may be purchased with the total benefits accrued will depend on numerous factors and may vary substantially from the lifetime income stream equivalent in the disclosures;
“(III) explains the assumptions upon which the lifetime income stream equivalent was determined; and

“(IV) provides such other similar explanations as the Secretary considers appropriate.

“(iii) ASSUMPTIONS AND RULES.—

Not later than 1 year after the date of the enactment of the Retirement, Savings, and Other Tax Relief Act of 2018, the Secretary shall—

“(I) prescribe assumptions which administrators of individual account plans may use in converting total accrued benefits into lifetime income stream equivalents for purposes of this subparagraph; and

“(II) issue interim final rules under clause (i).

In prescribing assumptions under subclause (I), the Secretary may prescribe a single set of specific assumptions (in which case the Secretary may issue tables or factors which facilitate such conversions), or ranges of permissible assumptions. To the
extent that an accrued benefit is or may be invested in a lifetime income stream described in clause (i)(III), the assumptions prescribed under subclause (I) shall, to the extent appropriate, permit administrators of individual account plans to use the amounts payable under such lifetime income stream as a lifetime income stream equivalent.

“(iv) LIMITATION ON LIABILITY.—No plan fiduciary, plan sponsor, or other person shall have any liability under this title solely by reason of the provision of lifetime income stream equivalents which are derived in accordance with the assumptions and rules described in clause (iii) and which include the explanations contained in the model lifetime income disclosure described in clause (ii). This clause shall apply without regard to whether the provision of such lifetime income stream equivalent is required by subparagraph (B)(iii).

“(v) EFFECTIVE DATE.—The requirement in subparagraph (B)(iii) shall apply to pension benefit statements furnished
more than 12 months after the latest of the issuance by the Secretary of—

“(I) interim final rules under clause (i);

“(II) the model disclosure under clause (ii); or

“(III) the assumptions under clause (iii).”.

SEC. 225. MODIFICATION OF PBGC PREMIUMS FOR CSEC PLANS.

(a) FLAT RATE PREMIUM.—Subparagraph (A) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amend-
ed—

(1) in clause (i), by striking “plan,” and insert-
ing “plan other than a CSEC plan (as defined in section 210(f)(1))”;

(2) in clause (v), by striking “or” at the end;

(3) in clause (vi), by striking the period at the end and inserting “, or”; and

(4) by adding at the end the following new clause:

“(vii) in the case of a CSEC plan (as defined in section 210(f)(1)), for plan years beginning after December 31, 2018,
for each individual who is a participant in such plan during the plan year an amount equal to the sum of—

“(I) the additional premium (if any) determined under subparagraph (E), and

“(II) $19.”.

(b) VARIABLE RATE PREMIUM.—

(1) UNFUNDED VESTED BENEFITS.—

(A) IN GENERAL.—Subparagraph (E) of section 4006(a)(3) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amended by adding at the end the following new clause:

“(v) For purposes of clause (ii), in the case of a CSEC plan (as defined in section 210(f)(1)), the term ‘unfunded vested benefits’ means, for plan years beginning after December 31, 2018, the excess (if any) of—

“(I) the funding liability of the plan as determined under section 306(j)(5)(C) for the plan year by only taking into account vested benefits, over
“(II) the fair market value of plan assets for the plan year which are held by the plan on the valuation date.”.

(B) CONFORMING AMENDMENT.—Clause (iii) of section 4006(a)(3)(E) of such Act (29 U.S.C. 1306(a)(3)(E)) is amended by striking “For purposes” and inserting “Except as provided in clause (v), for purposes”.

(2) APPLICABLE DOLLAR AMOUNT.—

(A) IN GENERAL.—Paragraph (8) of section 4006(a) of such Act (29 U.S.C. 1306(a)) is amended by adding at the end the following new subparagraph:

“(E) CSEC PLANS.—In the case of a CSEC plan (as defined in section 210(f)(1)), the applicable dollar amount shall be $9.”.

(B) CONFORMING AMENDMENT.—Subparagraph (A) of section 4006(a)(8) of such Act (29 U.S.C. 1306(a)(8)) is amended by striking “(B) and (C)” and inserting“(B), (C), and (E)”.
Subtitle C—Other Savings
Provisions

SEC. 231. EXPANSION OF SECTION 529 PLANS.

(a) DISTRIBUTIONS FOR CERTAIN EXPENSES ASSOCIATED WITH REGISTERED APPRENTICESHIP PROGRAMS.—Section 529(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(8) TREATMENT OF CERTAIN EXPENSES ASSOCIATED WITH REGISTERED APPRENTICESHIP PROGRAMS.—Any reference in this subsection to the term ‘qualified higher education expense’ shall include a reference to expenses for fees, books, supplies, and equipment required for the participation of a designated beneficiary in an apprenticeship program registered and certified with the Secretary of Labor under section 1 of the National Apprenticeship Act (29 U.S.C. 50).”.

(b) DISTRIBUTIONS FOR CERTAIN HOMESCHOOLING EXPENSES.—Section 529(c)(7) of such Code is amended by striking “include a reference to” and all that follows and inserting “include a reference to—

“(A) expenses for tuition in connection with enrollment or attendance of a designated
beneficiary at an elementary or secondary public, private, or religious school, and

“(B) expenses, with respect to a designated beneficiary, for—

“(i) curriculum and curricular materials,

“(ii) books or other instructional materials,

“(iii) online educational materials,

“(iv) tuition for tutoring or educational classes outside of the home (but only if the tutor or class instructor is not related (within the meaning of section 152(d)(2)) to the student),

“(v) dual enrollment in an institution of higher education, and

“(vi) educational therapies for students with disabilities,

in connection with a homeschool (whether treated as a homeschool or a private school for purposes of applicable State law).”.

(c) DISTRIBUTIONS FOR QUALIFIED EDUCATION LOAN REPAYMENTS.—
(1) IN GENERAL.—Section 529(c) of such Code, as amended by subsection (a), is amended by adding at the end the following new paragraph:

“(9) TREATMENT OF QUALIFIED EDUCATION LOAN REPAYMENTS.—

“(A) IN GENERAL.—Any reference in this subsection to the term ‘qualified higher education expense’ shall include a reference to amounts paid as principal or interest on any qualified education loan (as defined in section 221(d)) of the designated beneficiary or a sibling of the designated beneficiary.

“(B) LIMITATION.—The amount of distributions treated as a qualified higher education expense under this paragraph with respect to the loans of any individual shall not exceed $10,000 (reduced by the amount of distributions so treated for all prior taxable years).

“(C) SPECIAL RULES FOR SIBLINGS OF THE DESIGNATED BENEFICIARY.—

“(i) SEPARATE ACCOUNTING.—For purposes of subparagraph (B) and subsection (d), amounts treated as a qualified higher education expense with respect to the loans of a sibling of the designated
beneficiary shall be taken into account with respect to such sibling and not with respect to such designated beneficiary.

“(ii) Sibling defined.—For purposes of this paragraph, the term ‘sibling’ means an individual who bears a relationship to the designated beneficiary which is described in section 152(d)(2)(B).”.

(2) Coordination with deduction for student loan interest.—Section 221(e)(1) of such Code is amended by adding at the end the following:

“The deduction otherwise allowable under subsection (a) (prior to the application of subsection (b)) to the taxpayer for any taxable year shall be reduced (but not below zero) by so much of the distributions treated as a qualified higher education expense under section 529(c)(9) with respect to loans of the taxpayer as would be includible in gross income under section 529(c)(3)(A) for such taxable year but for such treatment.”.

(d) Distributions for certain elementary and secondary school expenses in addition to tuition.—Section 529(e)(7)(A), as amended by subsection (b), is amended to read as follows:
“(A) expenses described in section 530(b)(3)(A)(i) in connection with enrollment or attendance of a designated beneficiary at an elementary or secondary public, private, or religious school, and”.

(e) UNBORN CHILDREN ALLOWED AS ACCOUNT BENEFICIARIES.—Section 529(e) is amended by adding at the end the following new paragraph:

“(6) TREATMENT OF UNBORN CHILDREN.—

“(A) IN GENERAL.—Nothing shall prevent an unborn child from being treated as a designated beneficiary or an individual under this section.

“(B) UNBORN CHILD.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘unborn child’ means a child in utero.

“(ii) CHILD IN UTERO.—The term ‘child in utero’ means a member of the species homo sapiens, at any stage of development, who is carried in the womb.”.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by
this section shall apply to distributions made after December 31, 2018.

(2) Unborn children allowed as account beneficiaries.—The amendment made by subsection (e) shall apply to contributions made after December 31, 2018.

SEC. 232. PENALTY-FREE WITHDRAWALS FROM RETIREMENT PLANS FOR INDIVIDUALS IN CASE OF BIRTH OF CHILD OR ADOPTION.

(a) In general.—Section 72(t)(2) is amended by adding at the end the following new subparagraph:

“(H) Distributions from retirement plans in case of birth of child or adoption.—

“(i) In general.—Any qualified birth or adoption distribution.

“(ii) Limitation.—The aggregate amount which may be treated as qualified birth or adoption distributions by any individual with respect to any birth or adoption shall not exceed $7,500.

“(iii) Qualified birth or adoption distribution.—For purposes of this subparagraph—
“(I) In general.—The term ‘qualified birth or adoption distribution’ means any distribution from an applicable eligible retirement plan to an individual if made during the 1-year period beginning on the date on which a child of the individual is born or on which the legal adoption by the individual of an eligible child is finalized.

“(II) Eligible child.—The term ‘eligible child’ means any individual (other than a child of the taxpayer’s spouse) who has not attained age 18 or is physically or mentally incapable of self-support.

“(iv) Treatment of plan distributions.—

“(I) In general.—If a distribution to an individual would (without regard to clause (ii)) be a qualified birth or adoption distribution, a plan shall not be treated as failing to meet any requirement of this title merely because the plan treats the distribu-
126

tion as a qualified birth or adoption
distribution, unless the aggregate
amount of such distributions from all
plans maintained by the employer
(and any member of any controlled
group which includes the employer) to
such individual exceeds $7,500.

“(II) CONTROLLED GROUP.—For
purposes of subclause (I), the term
‘controlled group’ means any group
treated as a single employer under
subsection (b), (c), (m), or (o) of sec-

tion 414.

“(v) AMOUNT DISTRIBUTED MAY BE
REPAID.—

“(I) IN GENERAL.—Any indi-

dividual who receives a qualified birth
or adoption distribution may make
one or more contributions in an ag-
gregate amount not to exceed the
amount of such distribution to an ap-
plicable eligible retirement plan of
which such individual is a beneficiary
and to which a rollover contribution of
such distribution could be made under
section 402(c), 403(a)(4), 403(b)(8),
408(d)(3), or 457(e)(16), as the case
may be.

“(II) Limitation on Contributions to Applicable Eligible Retirement Plans Other Than IRAs.—The aggregate amount of contributions made by an individual under subclause (I) to any applicable eligible retirement plan which is not an individual retirement plan shall not exceed the aggregate amount of qualified birth or adoption distributions which are made from such plan to such individual. Subclause (I) shall not apply to contributions to any applicable eligible retirement plan which is not an individual retirement plan unless the individual is eligible to make contributions (other than those described in subclause (I)) to such applicable eligible retirement plan.

“(III) Treatment of Repayments of Distributions from Applicable Eligible Retirement
PLANS OTHER THAN IRAS.—If a contribution is made under subclause (I) with respect to a qualified birth or adoption distribution from an applicable eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received such distribution in an eligible rollover distribution (as defined in section 402(c)(4)) and as having transferred the amount to the applicable eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

“(IV) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—If a contribution is made under subclause (I) with respect to a qualified birth or adoption distribution from an individual retirement plan, then, to the extent of the amount of the contribution, such distribution shall be treated as a distribution described in section 408(d)(3) and as
having been transferred to the applic-
cable eligible retirement plan in a di-
rect trustee to trustee transfer within
60 days of the distribution.

“(vi) DEFINITION AND SPECIAL
rules.—For purposes of this subpara-
graph—

“(I) APPLICABLE ELIGIBLE RE-
tirement plan.—The term ‘applica-
able eligible retirement plan’ means an
eligible retirement plan (as defined in
section 402(c)(8)(B)) other than a de-
finied benefit plan.

“(II) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE
TRANSFER AND WITHHOLDING
rules.—For purposes of sections
401(a)(31), 402(f), and 3405, a quali-
fied birth or adoption distribution
shall not be treated as an eligible roll-
over distribution.

“(III) TAXPAYER MUST INCLUDE
TIN.—A distribution shall not be
treated as a qualified birth or adop-
tion distribution with respect to any
child or eligible child unless the taxpayer includes the name, age, and TIN of such child or eligible child on the taxpayer’s return of tax for the taxable year.

“(IV) DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—Any qualified birth or adoption distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A).”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to distributions made after December 31, 2018.

TITLE III—REPEAL OR DELAY OF CERTAIN HEALTH-RELATED TAXES

SEC. 301. EXTENSION OF MORATORIUM ON MEDICAL DEVICE EXCISE TAX.

Section 4191(c) of the Internal Revenue Code of 1986 is amended by striking “December 31, 2019” and inserting “December 31, 2024”.
SEC. 302. DELAY IN IMPLEMENTATION OF EXCISE TAX ON HIGH COST EMPLOYER-SPONSORED HEALTH COVERAGE.

Section 9001(c) of the Patient Protection and Affordable Care Act is amended by striking “December 31, 2021” and inserting “December 31, 2022”.

SEC. 303. EXTENSION OF SUSPENSION OF ANNUAL FEE ON HEALTH INSURANCE PROVIDERS.

Section 9010(j)(3) of the Patient Protection and Affordable Care Act is amended by striking “December 31, 2019” and inserting “December 31, 2021”.

SEC. 304. REPEAL OF EXCISE TAX ON INDOOR TANNING SERVICES.

(a) In general.—Subtitle D of the Internal Revenue Code of 1986 is amended by striking chapter 49 and by striking the item relating to such chapter in the table of chapters of such subtitle.

(b) Effective date.—The amendments made by this section shall apply to services performed in calendar quarters beginning more than 30 days after the date of the enactment of this Act.
TITLE IV—CERTAIN EXPIRING PROVISIONS

SEC. 401. RAILROAD TRACK MAINTENANCE CREDIT MADE PERMANENT.

(a) Credit Percentage Reduced.—Section 45G(a) is amended by striking “50 percent” and inserting “30 percent”.

(b) Made Permanent.—Section 45G is amended by striking subsection (f).

(c) Effective Date.—The amendments made by this section shall apply to expenditures paid or incurred during taxable years beginning after December 31, 2017.

SEC. 402. BIODIESEL AND RENEWABLE DIESEL PROVISIONS EXTENDED AND PHASED OUT.

(a) Income Tax Credit.—

(1) In General.—Section 40A(g) is amended to read as follows:

“(g) Phase Out; Termination.—

“(1) Phase Out.—In the case of any sale or use after December 31, 2021, subsections (b)(1)(A) and (b)(2)(A) shall be applied by substituting for ‘$1.00’—

“(A) ‘$.75’, if such sale or use is before January 1, 2023,
“(B) ‘$.50’, if such sale or use is after December 31, 2022, and before January 1, 2024, and

“(C) ‘$.33’, if such sale or use is after December 31, 2023, and before January 1, 2025.

“(2) TERMINATION.—This section shall not apply to any sale or use after December 31, 2024.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to fuel sold or used after December 31, 2017.

(b) EXCISE TAX INCENTIVES.—

(1) PHASE OUT.—Section 6426(c)(2) is amended to read as follows:

“(2) APPLICABLE AMOUNT.—For purposes of this subsection, the applicable amount is—

“(A) $1.00 in the case of any sale or use for any period before January 1, 2022,

“(B) $.75 in the case of any sale or use for any period after December 31, 2021, and before January 1, 2023,

“(C) $.50 in the case of any sale or use for any period after December 31, 2022, and before January 1, 2024, and
“(D) $.33 in the case of any sale or use for any period after December 31, 2023, and before January 1, 2025.”.

(2) TERMINATION.—

(A) IN GENERAL.—Section 6426(c)(6) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(B) PAYMENTS.—Section 6427(e)(6)(B) is amended by striking “December 31, 2017” and inserting “December 31, 2024”.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to fuel sold or used after December 31, 2017.

(4) SPECIAL RULE FOR 2018.—Notwithstanding any other provision of law, in the case of any biodiesel mixture credit properly determined under section 6426(c) of the Internal Revenue Code of 1986 for the period beginning on January 1, 2018, and ending on December 31, 2018, such credit shall be allowed, and any refund or payment attributable to such credit (including any payment under section 6427(e) of such Code) shall be made, only in such manner as the Secretary of the Treasury (or the Secretary’s delegate) shall provide. Such Secretary shall issue guidance within 30 days after the date of
the enactment of this Act providing for a one-time submission of claims covering periods described in the preceding sentence. Such guidance shall provide for a 180-day period for the submission of such claims (in such manner as prescribed by such Secretary) to begin not later than 30 days after such guidance is issued. Such claims shall be paid by such Secretary not later than 60 days after receipt. If such Secretary has not paid pursuant to a claim filed under this subsection within 60 days after the date of the filing of such claim, the claim shall be paid with interest from such date determined by using the overpayment rate and method under section 6621 of such Code.

**TITLE V—OTHER PROVISIONS**

**SEC. 501. TECHNICAL AMENDMENTS RELATING TO PUBLIC LAW 115–97.**

(a) **Amendment Relating to Section 11011.**—Section 852(b) is amended by adding at the end the following:

“(10) **Treatment by Shareholders of Qualified REIT Dividends and Qualified Publicly Traded Partnership Income.**—

“(A) **In General.**—A shareholder of a regulated investment company shall take into
account for purposes of section 199A(b)(1)(B)—

“(i) as a qualified REIT dividend the amount which is reported by the company (in written statements furnished to its shareholders) as being attributable to qualified REIT dividends received by the company, and

“(ii) as qualified publicly traded partnership income the amount which is reported by the company (in written statements furnished to its shareholders) as being attributable to qualified publicly traded partnership income of the company.

“(B) Excess reported amounts.—

Rules similar to the rules of clauses (ii) and (iii) of paragraph (5)(A) shall apply for purposes of this paragraph.

“(C) Negative qualified publicly traded partnership income required to be taken into account.—If the qualified publicly traded partnership income of the company is less than zero, such income shall be reported by the company under subparagraph (A)(ii).
“(D) REGULATIONS.—The Secretary shall issue such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this paragraph.”.

(b) AMENDMENTS RELATING TO SECTION 13204.—

(1) Section 168(e)(3)(E) is amended by striking “and” at the end of clause (v), by striking the period at the end of clause (vi) and inserting “, and”, and by adding at the end the following new clause:

“(vii) any qualified improvement property.”.

(2) The table contained in subparagraph (B) of section 168(g)(3) is amended—

(A) by striking the item relating to subparagraph (D)(v), and

(B) by inserting after the item relating to subparagraph (E)(vi) the following new item:

“(E)(vii) ......................................... 20”.

(e) AMENDMENT RELATING TO SECTION 13302.—

Section 13302(e)(2) of Public Law 115-97 is amended by striking “ending” and inserting “beginning”.

(d) AMENDMENT RELATING TO SECTION 13307.—

Section 162(q)(2) is amended by inserting “in the case of the taxpayer for whom a deduction is disallowed by reason of paragraph (1),” before “attorney’s fees”.

(e) AMENDMENT RELATING TO SECTION 14103.—
IN GENERAL.—Section 965(h) is amended by adding at the end the following new paragraph:

“(7) INSTALLMENTS NOT TO PREVENT CREDIT OR REFUND OF OVERPAYMENTS OR INCREASE ESTIMATED TAXES.—If an election is made under paragraph (1) to pay the net tax liability under this section in installments—

“(A) no installment of such net tax liability shall—

“(i) in the case of a request for credit or refund, be taken into account as a liability for purposes of determining whether an overpayment exists for purposes of section 6402 before the date on which such installment is due, or

“(ii) for purposes of sections 6425, 6654, and 6655, be treated as a tax imposed by section 1, section 11, or subchapter L of chapter 1, and

“(B) the first sentence of section 6403 shall not apply with respect to any such installment.”.

LIMITATION ON PAYMENT OF INTEREST.—

In the case of the portion of any overpayment which exists by reason of the application of section...
965(h)(7) of the Internal Revenue Code of 1986 (as added by this subsection)—

(A) if credit or refund of such portion is made on or before the date which is 45 days after the date of the enactment of this Act, no interest shall be allowed or paid under section 6611 of such Code with respect to such portion, and

(B) if credit or refund of such portion is made after the date which is 45 days after the date of the enactment of this Act, no interest shall be allowed or paid under section 6611 of such Code with respect to such portion for any period before the date of the enactment of this Act.

(f) Amendments Relating to Section 14213.—

(1) Section 958(b) is amended—

(A) by inserting after paragraph (3) the following:

“(4) Subparagraphs (A), (B), and (C) of section 318(a)(3) shall not be applied so as to consider a United States person as owning stock which is owned by a person who is not a United States person.”, and
(B) by striking “Paragraph (1)” in the last sentence and inserting “Paragraphs (1) and (4)”.

(2) Subpart F of part III of subchapter N of chapter 1 is amended by inserting after section 951A the following new section:

"SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF FOREIGN CONTROLLED UNITED STATES SHAREHOLDERS.

“(a) In General.—In the case of any foreign controlled United States shareholder of a foreign controlled foreign corporation—

“(1) this subpart (other than sections 951A, 951(b), 957, and 965) shall be applied with respect to such shareholder (separately from, and in addition to, the application of this subpart without regard to this section)—

“(A) by substituting ‘foreign controlled United States shareholder’ for ‘United States shareholder’ each place it appears therein, and

“(B) by substituting ‘foreign controlled foreign corporation’ for ‘controlled foreign corporation’ each place it appears therein, and

“(2) sections 951A and 965 shall be applied with respect to such shareholder —
“(A) by treating each reference to ‘United States shareholder’ in such sections as including a reference to such shareholder, and

“(B) by treating each reference to ‘controlled foreign corporation’ in such sections as including a reference to such foreign controlled foreign corporation.

“(b) FOREIGN CONTROLLED UNITED STATES SHAREHOLDER.—For purposes of this section, the term ‘foreign controlled United States shareholder’ means, with respect to any foreign corporation, any United States person which would be a United States shareholder with respect to such foreign corporation if—

“(1) section 951(b) were applied by substituting ‘more than 50 percent’ for ‘10 percent or more’, and

“(2) section 958(b) were applied without regard to paragraph (4) thereof.

“(c) FOREIGN CONTROLLED FOREIGN CORPORATION.—For purposes of this section, the term ‘foreign controlled foreign corporation’ means a foreign corporation, other than a controlled foreign corporation, which would be a controlled foreign corporation if section 957(a) were applied—
“(1) by substituting ‘foreign controlled United States shareholders’ for ‘United States shareholders’, and

“(2) by substituting ‘section 958(b) (other than paragraph (4) thereof)’ for ‘section 958(b)’.

“(d) Regulations.—The Secretary shall prescribe such regulations or other guidance as may be necessary or appropriate to carry out the purposes of this section, including regulations or other guidance—

“(1) to treat a foreign controlled United States shareholder or a foreign controlled foreign corporation as a United States shareholder or as a controlled foreign corporation, respectively, for purposes of provisions of this title other than this subpart, and

“(2) to prevent the avoidance of the purposes of this section.”.

(3) The amendments made by paragraphs (1) and (2) shall apply to—

(A) the last taxable year of foreign corporations beginning before January 1, 2018, and each subsequent taxable year of such foreign corporations, and
(B) taxable years of United States persons in which or with which such taxable years of foreign corporations end.

(g) EFFECTIVE DATES.—Except as otherwise provided in this section, the amendments made by this section shall take effect as if included in the provision of Public Law 115-97 to which they relate.

SEC. 502. CLARIFICATION OF TREATMENT OF VETERANS AS SPECIFIED GROUP FOR PURPOSES OF THE LOW-INCOME HOUSING TAX CREDIT.

For purposes of section 42(g)(9)(B) of the Internal Revenue Code of 1986, veterans shall not fail to be treated as a specified group under a Federal program.

SEC. 503. CLARIFICATION OF GENERAL PUBLIC USE REQUIREMENT FOR QUALIFIED RESIDENTIAL RENTAL PROJECTS.

(a) IN GENERAL.—Section 142(d)(2) is amended by adding at the end the following new subparagraph:

“(F) CLARIFICATION OF GENERAL PUBLIC USE REQUIREMENT.—Rules similar to the rules of section 42(g)(9) shall apply for purposes of this subsection.’’.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued before, on, or after the date of enactment of this Act.
SEC. 504. FLOOR PLAN FINANCING APPLICABLE TO CERTAIN TRAILERS AND CAMPERS.

(a) In General.—Section 163(j)(9)(C) is amended by adding at the end the following new flush sentence:

“Such term shall include any trailer or camper which is designed to provide temporary living quarters for recreational, camping, travel, or seasonal use and is designed to be towed by, or affixed to, a motor vehicle.”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2017.

SEC. 505. REPEAL OF INCREASE IN UNRELATED BUSINESS TAXABLE INCOME BY DISALLOWED FRINGE.

(a) In General.—Section 512(a) is amended by striking paragraph (7).

(b) Effective Date.—The amendment made by this section shall take effect as if included in section 13703 of Public Law 115-97.

SEC. 506. CERTAIN PURCHASES OF EMPLOYEE-OWNED STOCK DISREGARDED FOR PURPOSES OF FOUNDATION TAX ON EXCESS BUSINESS HOLDINGS.

(a) In General.—Section 4943(c)(4)(A) is amended by adding at the end the following new clause:
(v) CERTAIN PURCHASES OF EMPLOYEE-OWNED STOCK DISREGARDED.—
For purposes of clause (i), subparagraph (D), and paragraph (2), any voting stock which—

“(I) is not readily tradable on an established securities market,

“(II) is purchased by the business enterprise on or after January 1, 2005, from a stock bonus or profit sharing plan described in section 401(a) in which employees of such business enterprise participate, in connection with a distribution from such plan, and

“(III) is held by the business enterprise as treasury stock, cancelled, or retired,

shall be treated as outstanding voting stock, but only to the extent so treating such stock would not result in permitted holdings exceeding 49 percent (determined without regard to this clause). The preceding sentence shall not apply with respect to the purchase of stock from a plan.
during the 10-year period beginning on the date the plan is established.”

(b) Effective Date.—

(1) In General.—The amendments made by this section shall apply to taxable years ending after the date of enactment of this Act and to purchases by a business enterprise of voting stock in taxable years beginning before, on, or after the date of enactment of this Act.

(2) Special Rule for Grandfathered Foundations in Case of Decrease in Ownership by Reason of Pre-Enactment Purchases.—Section 4943(c)(4)(A)(ii) of the Internal Revenue Code of 1986 shall not apply with respect to any decrease in the percentage of holdings in a business enterprise by reason of section 4943(c)(4)(A)(v) of such Code (as added by this section).

SEC. 507. ALLOWING 501(c)(3) ORGANIZATION TO MAKE STATEMENTS RELATING TO POLITICAL CAMPAIGN IN ORDINARY COURSE OF CARRYING OUT ITS TAX EXEMPT PURPOSE.

(a) In General.—Section 501 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:
“(s) Special Rule Relating to Political Campaign Statements of Organization Described in Subsection (c)(3).—

“(1) In general.—For purposes of subsection (c)(3) and sections 170(c)(2), 2055, 2106, 2522, and 4955, an organization shall not fail to be treated as organized and operated exclusively for a purpose described in subsection (c)(3), nor shall it be deemed to have participated in, or intervened in any political campaign on behalf of (or in opposition to) any candidate for public office, solely because of the content of any statement which—

“(A) is made in the ordinary course of the organization’s regular and customary activities in carrying out its exempt purpose, and

“(B) results in the organization incurring not more than de minimis incremental expenses.”.

(b) Effective Date.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.
SEC. 508. CHARITABLE ORGANIZATIONS PERMITTED TO MAKE COLLEGIATE HOUSING AND INFRASTRUCTURE GRANTS.

(a) In General.—Section 501, as amended by the preceding provisions of this Act, is amended by adding at the end the following new subsection:

“(t) Treatment of Organizations Making Collegiate Housing and Infrastructure Improvement Grants.—

“(1) In General.—For purposes of subsection (c)(3) and sections 170(c)(2)(B), 2055(a)(2), and 2522(a)(2), an organization shall not fail to be treated as organized and operated exclusively for charitable or educational purposes solely because such organization makes collegiate housing and infrastructure grants to an organization described in subsection (e)(7) which applies the grant to its collegiate housing property.

“(2) Housing and Infrastructure Grants.—For purposes of paragraph (1), collegiate housing and infrastructure grants are grants to provide, improve, operate, or maintain collegiate housing property that may involve more than incidental social, recreational, or private purposes, so long as such grants are for purposes that would be permissible for a dormitory or other residential facility of
the college or university with which the collegiate housing property is associated. A grant shall not be treated as a collegiate housing and infrastructure grant for purposes of paragraph (1) to the extent that such grant is used to provide physical fitness facilities.

“(3) COLLEGIATE HOUSING PROPERTY.—For purposes of this subsection, collegiate housing property is property in which, at the time of a grant or following the acquisition, lease, construction, or modification of such property using such grant, substantially all of the residents are full-time students at the college or university in the community where such property is located.

“(4) GRANTS TO CERTAIN ORGANIZATIONS HOLDING TITLE TO PROPERTY, ETC.—For purposes of this subsection, a collegiate housing and infrastructure grant to an organization described in subsection (c)(2) or (c)(7) holding title to property exclusively for the benefit of an organization described in subsection (c)(7) shall be considered a grant to the organization described in subsection (c)(7) for whose benefit such property is held.”.
(b) EFFECTIVE DATE.—The amendment made by this section shall apply to grants made in taxable years ending after the date of the enactment of this Act.

SEC. 509. RESTRICTION ON REGULATION OF CONTINGENCY FEES WITH RESPECT TO TAX RETURNS, ETC.

The Secretary of the Treasury may not regulate, prohibit, or restrict the use of a contingent fee in connection with tax returns, claims for refund, or documents in connection with tax returns or claims for refund prepared on behalf of a taxpayer.

DIVISION B—TAXPAYER FIRST ACT OF 2018

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This division may be cited as the “Taxpayer First Act of 2018”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this division an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents for this division is as follows:

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. 2003. Information sharing and analysis center.
Sec. 2006. Identity protection personal identification numbers.
Sec. 2007. Single point of contact for tax-related identity theft victims.
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. Development of online accounts and portals.
Sec. 2103. Internet platform for Form 1099 filings.
Sec. 2104. 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 redislosures 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. Requirement that electronically prepared paper returns include scannable code.
Sec. 2305. 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. Electronic record retention.
Sec. 3002. Prohibition on rehiring any employee of the Internal Revenue Service who was involuntarily separated from service for misconduct.
Sec. 3003. 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—Tax Court
Sec. 3301. Disqualification of judge or magistrate judge of the Tax Court.
Sec. 3302. Opinions and judgments.
Sec. 3303. Title of special trial judge changed to magistrate judge of the Tax Court.
Sec. 3304. Repeal of deadwood related to Board of Tax Appeals.
TITLE I—PUTTING TAXPAYERS FIRST

Subtitle A—Independent Appeals Process

SEC. 1001. ESTABLISHMENT OF INTERNAL REVENUE SERVICE INDEPENDENT OFFICE OF APPEALS.

(a) In General.—Section 7803 is amended by adding at the end the following new subsection:

“(e) Independent Office of Appeals.—

“(1) Establishment.—There is established in the Internal Revenue Service an office to be known as the ‘Internal Revenue Service Independent Office of Appeals’.

“(2) Chief of Appeals.—

“(A) In General.—The Internal Revenue Service Independent Office of Appeals shall be under the supervision and direction of an official to be known as the ‘Chief of Appeals’. The Chief of Appeals shall report directly to the Commissioner of the Internal Revenue Service and shall be entitled to compensation at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code.
“(B) APPOINTMENT.—The Chief of Appeals shall be appointed by the Commissioner of the Internal Revenue Service without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

“(C) QUALIFICATIONS.—An individual appointed under subparagraph (B) shall have experience and expertise in—

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

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

“(iii) management of large service organizations.

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

“(A) is fair and impartial to both the Government and the taxpayer,

“(B) promotes a consistent application and interpretation of, and voluntary compliance with, the Federal tax laws, and
“(C) enhances public confidence in the integrity and efficiency of the Internal Revenue Service.

“(4) RIGHT OF APPEAL.—The resolution process described in paragraph (3) shall be generally available to all taxpayers.

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

“(A) IN GENERAL.—If any taxpayer which is in receipt of a notice of deficiency authorized under section 6212 requests referral to the Internal Revenue Service Independent Office of Appeals and such request is denied, the Commissioner of the Internal Revenue Service shall provide such taxpayer a written notice which—

“(i) provides a detailed description of the facts involved, the basis for the decision to deny the request, and a detailed explanation of how the basis of such decision applies to such facts, and

“(ii) describes the procedures prescribed under subparagraph (C) for protesting the decision to deny the request.
“(B) Report to Congress.—The Commissioner of the Internal Revenue Service shall submit a written report to Congress on an annual basis which includes the number of requests described in subparagraph (A) which were denied and the reasons (described by category) that such requests were denied.

“(C) Procedures for protesting denial of request.—The Commissioner of the Internal Revenue Service shall prescribe procedures for protesting to the Commissioner of the Internal Revenue Service a denial of a request described in subparagraph (A).

“(D) Not applicable to frivolous positions.—This paragraph shall not apply to a request for referral to the Internal Revenue Service Independent Office of Appeals which is denied on the basis that the issue involved is a frivolous position (within the meaning of section 6702(c)).

“(6) Staff.—

“(A) In general.—All personnel in the Internal Revenue Service Independent Office of Appeals shall report to the Chief of Appeals.
“(B) Access to staff of Office of the Chief Counsel.—The Chief of Appeals shall have authority to obtain legal assistance and advice from the staff of the Office of the Chief Counsel. The Chief Counsel shall ensure that such assistance and advice is provided by staff of the Office of the Chief Counsel who were not involved in the case with respect to which such assistance and advice is sought and who are not involved in preparing such case for litigation.

“(7) Access to case files.—

“(A) In general.—In any case in which a conference with the Internal Revenue Service Independent Office of Appeals has been scheduled upon request of a specified taxpayer, the Chief of Appeals shall ensure that such taxpayer is provided access to the nonprivileged portions of the case file on record regarding the disputed issues (other than documents provided by the taxpayer to the Internal Revenue Service) not later than 10 days before the date of such conference.

“(B) Taxpayer election to expedite conference.—If the taxpayer so elects, sub-
paragraph (A) shall be applied by substituting
‘the date of such conference’ for ‘10 days before
the date of such conference’.

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

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

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

“(II) in the case of any other
taxpayer, a taxpayer whose gross re-
cceipts do not exceed $5,000,000 for
the taxable year to which the dispute
relates.

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

(b) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended
by striking “Internal Revenue Service Office of Ap-
peals” and inserting “Internal Revenue Service
Independent Office of Appeals”: 
(A) Section 6015(c)(4)(B)(ii)(I).
(B) Section 6320(b)(1).
(C) Subsections (b)(1) and (d)(3) of section 6330.
(D) Section 6603(d)(3)(B).
(E) Section 6621(c)(2)(A)(i).
(F) Section 7122(e)(2).
(G) Subsections (a), (b)(1), (b)(2), and (c)(1) of section 7123.
(H) Subsections (c)(7)(B)(i), and (g)(2)(A) of section 7430.
(I) Section 7522(b)(3).
(J) Section 7612(c)(2)(A).

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

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

(e) OTHER REFERENCES.—Any reference in any provision of law, or regulation or other guidance, to the Internal Revenue Service Office of Appeals shall be treated as a reference to the Internal Revenue Service Independent Office of Appeals.
(d) **Savings Provisions.**—Rules similar to the rules of paragraphs (2) through (6) of section 1001(b) of the Internal Revenue Service Restructuring and Reform Act of 1998 shall apply for purposes of this section (and the amendments made by this section).

(e) **Effective Date.**—

(1) In General.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Access to Case Files.—Section 7803(e)(7) of the Internal Revenue Code of 1986, as added by subsection (a), shall apply to conferences occurring after the date which is 1 year after the date of the enactment of this Act.

**Subtitle B—Improved Service**

**Sec. 1101. Comprehensive Customer Service Strategy.**

(a) In General.—Not later than the date which is 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall submit to Congress a written comprehensive customer service strategy for the Internal Revenue Service. Such strategy shall include—

(1) a plan to provide assistance to taxpayers that is secure, designed to meet reasonable taxpayer
expectations, and adopts appropriate best practices of customer service provided in the private sector, including online services, telephone call back services, and training of employees providing customer services,

(2) a thorough assessment of the services that the Internal Revenue Service can co-locate with other Federal services or offer as self-service options,

(3) proposals to improve Internal Revenue Service customer service in the short term (the current and following fiscal year), medium term (approximately 3 to 5 fiscal years), and long term (approximately 10 fiscal years),

(4) a plan to update guidance and training materials for customer service employees of the Internal Revenue Service, including the Internal Revenue Manual, to reflect such strategy, and

(5) identified metrics and benchmarks for quantitatively measuring the progress of the Internal Revenue Service in implementing such strategy.

(b) **UPDATED GUIDANCE AND TRAINING MATERIALS.**—Not later than 2 years after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary’s delegate) shall make available the updated
guidance and training materials described in subsection (a)(4) (including the Internal Revenue Manual). Such updated guidance and training materials (including the Internal Revenue Manual) shall be written in a manner so as to be easily understood by customer service employees of the Internal Revenue Service and shall provide clear instructions.

SEC. 1102. IRS FREE FILE PROGRAM.

(a) IN GENERAL.—

(1) The Secretary of the Treasury, or the Secretary’s delegate, shall continue to operate the IRS Free File Program as established by the Internal Revenue Service and published in the Federal Register on November 4, 2002 (67 Fed. Reg. 67247), including any subsequent agreements and governing rules established pursuant thereto.

(2) The IRS Free File Program shall continue to provide free commercial-type online individual income tax preparation and electronic filing services to the lowest 70 percent of taxpayers by adjusted gross income. The number of taxpayers eligible to receive such services each year shall be calculated by the Internal Revenue Service annually based on prior year aggregate taxpayer adjusted gross income data.
(3) In addition to the services described in paragraph (2), and in the same manner, the IRS Free File Program shall continue to make available to all taxpayers (without regard to income) a basic, online electronic fillable forms utility.

(4) The IRS Free File Program shall continue to work cooperatively with the private sector to provide the free individual income tax preparation and the electronic filing services described in paragraphs (2) and (3).

(5) The IRS Free File Program shall work cooperatively with State government agencies to enhance and expand the use of the program to provide needed benefits to the taxpayer while reducing the cost of processing returns.

(b) Innovations.—The Secretary of the Treasury, or the Secretary’s delegate, shall work with the private sector through the IRS Free File Program to identify and implement, consistent with applicable law, innovative new program features to improve and simplify the taxpayer’s experience with completing and filing individual income tax returns through voluntary compliance.
SEC. 1103. LOW-INCOME EXCEPTION FOR PAYMENTS OTHERWISE REQUIRED IN CONNECTION WITH A SUBMISSION OF AN OFFER-IN-COMPROMISE.

(a) In General.—Section 7122(c) is amended by adding at the end the following new paragraph:

“(3) Exception for low-income taxpayers.—Paragraph (1), and any user fee otherwise required in connection with the submission of an offer-in-compromise, shall not apply to any offer-in-compromise with respect to a taxpayer who is an individual with adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 250 percent of the applicable poverty level (as determined by the Secretary).”.

(b) Effective Date.—The amendment made by this section shall apply to offers-in-compromise submitted after the date of the enactment of this Act.

Subtitle C—Sensible Enforcement

SEC. 1201. INTERNAL REVENUE SERVICE SEIZURE REQUIREMENTS WITH RESPECT TO STRUCTURING TRANSACTIONS.

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

(1) by striking “Any property” and inserting the following:
“(A) IN GENERAL.—Any property”; and
(2) by adding at the end the following:
“(B) INTERNAL REVENUE SERVICE SEIZURE REQUIREMENTS WITH RESPECT TO STRUCTURING TRANSACTIONS.—
“(i) PROPERTY DERIVED FROM AN ILLEGAL SOURCE.—Property may only be seized by the Internal Revenue Service pursuant to subparagraph (A) by reason of a claimed violation of section 5324 if the property to be seized was derived from an illegal source or the funds were structured for the purpose of concealing the violation of a criminal law or regulation other than section 5324.
“(ii) NOTICE.—Not later than 30 days after property is seized by the Internal Revenue Service pursuant to subparagraph (A), the Internal Revenue Service shall—
“(I) make a good faith effort to find all persons with an ownership interest in such property; and
“(II) provide each such person so found with a notice of the seizure and
of the person’s rights under clause (iv).

“(iii) Extension of Notice Under Certain Circumstances.—The Internal Revenue Service may apply to a court of competent jurisdiction for one 30-day extension of the notice requirement under clause (ii) if the Internal Revenue Service can establish probable cause of an imminent threat to national security or personal safety necessitating such extension.

“(iv) Post-Seizure Hearing.—If a person with an ownership interest in property seized pursuant to subparagraph (A) by the Internal Revenue Service requests a hearing by a court of competent jurisdiction within 30 days after the date on which notice is provided under subclause (ii), such property shall be returned unless the court holds an adversarial hearing and finds within 30 days of such request (or such longer period as the court may provide, but only on request of an interested party) that there is probable cause to believe that there is a violation of section
5324 involving such property and probable cause to believe that the property to be seized was derived from an illegal source or the funds were structured for the purpose of concealing the violation of a criminal law or regulation other than section 5324.”.

SEC. 1202. EXCLUSION OF INTEREST RECEIVED IN ACTION TO RECOVER PROPERTY SEIZED BY THE INTERNAL REVENUE SERVICE BASED ON STRUCTURING TRANSACTION.

(a) In General.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

“SEC. 139H. INTEREST RECEIVED IN ACTION TO RECOVER PROPERTY SEIZED BY THE INTERNAL REVENUE SERVICE BASED ON STRUCTURING TRANSACTION.

“Gross income shall not include any interest received from the Federal Government in connection with an action to recover property seized by the Internal Revenue Service pursuant to section 5317(c)(2) of title 31, United States Code, by reason of a claimed violation of section 5324 of such title.”.
(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

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

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

SEC. 1203. CLARIFICATION OF EQUITABLE RELIEF FROM JOINT LIABILITY.

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

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

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

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

“(B) any additional newly discovered or previously unavailable evidence.”, and

(2) by amending subsection (f) to read as follows:

“(f) EQUITABLE RELIEF.—
“(1) IN GENERAL.—Under procedures prescribed by the Secretary, if—

“(A) taking into account all the facts and circumstances, it is inequitable to hold the individual liable for any unpaid tax or any deficiency (or any portion of either), and

“(B) relief is not available to such individual under subsection (b) or (c),

the Secretary may relieve such individual of such liability.

“(2) LIMITATION.—A request for equitable relief under this subsection may be made with respect to any portion of any liability that—

“(A) has not been paid, provided that such request is made before the expiration of the applicable period of limitation under section 6502, or

“(B) has been paid, provided that such request is made during the period in which the individual could submit a timely claim for refund or credit of such payment.”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to petitions or requests filed or pending on or after the date of the enactment of this Act.
SEC. 1204. MODIFICATION OF PROCEDURES FOR ISSUANCE
OF THIRD-PARTY SUMMONS.

(a) In General.—Section 7609(f) is amended by adding at the end the following flush sentence:

“"The Secretary shall not issue any summons described in the preceding sentence unless the information sought to be obtained is narrowly tailored to information that pertains to the failure (or potential failure) of the person or group or class of persons referred to in paragraph (2) to comply with one or more provisions of the internal revenue law which have been identified for purposes of such paragraph.’’.

(b) Effective Date.—The amendments made by this section shall apply to summonses served after the date of the enactment of this Act.

SEC. 1205. PRIVATE DEBT COLLECTION AND SPECIAL COMPLIANCE PERSONNEL PROGRAM.

(a) Certain Tax Receivables Not Eligible for Collection Under Tax Collection Contracts.—Section 6306(d)(3) is amended by striking “or” at the end of subparagraph (C) and by inserting after subparagraph (D) the following new subparagraphs:

“(E) a taxpayer substantially all of whose income consists of disability insurance benefits under section 223 of the Social Security Act or supplemental security income benefits under
title XVI of the Social Security Act (including supplemental security income benefits of the type described in section 1616 of such Act or section 212 of Public Law 93-66), or

“(F) a taxpayer who is an individual with adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 200 percent of the applicable poverty level (as determined by the Secretary).”.

(b) Determination of Inactive Tax Receivables Eligible for Collection Under Tax Collection Contracts.—Section 6306(c)(2)(A)(ii) is amended by striking “more than 1⁄3 of the period of the applicable statute of limitation has lapsed” and inserting “more than 2 years has passed since assessment”.

(c) Maximum Length of Installment Agreements Offered Under Tax Collection Contracts.—Section 6306(b)(1)(B) is amended by striking “5 years” and inserting “7 years”.

(d) Clarification That Special Compliance Personnel Program Account May Be Used for Program Costs.—

(1) In General.—Section 6307(b) is amended—
(A) in paragraph (2), by striking all that follows “under such program” and inserting a period, and

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

(2) COMMUNICATIONS, SOFTWARE, AND TECHNOLOGY COSTS TREATED AS PROGRAM COSTS.—Section 6307(d)(2)(B) is amended by striking “telecommunications” and inserting “communications, software, technology”.

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

“(C) reimbursement of the Internal Revenue Service or other government agencies for the cost of administering the qualified tax collection program under section 6306.”.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to tax receivables identified
by the Secretary (or the Secretary’s delegate) after December 31, 2019.

(2) Maximum length of installment agreements.—The amendment made by subsection (c) shall apply to contracts entered into after the date of the enactment of this Act.

(3) Use of special compliance personnel program account.—The amendment made by subsection (d) shall apply to amounts expended from the special compliance personnel program account after the date of the enactment of this Act.

SEC. 1206. REFORM OF NOTICE OF CONTACT OF THIRD PARTIES.

(a) In general.—Section 7602(c)(1) is amended to read as follows:

“(1) General notice.—An officer or employee of the Internal Revenue Service may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer unless such contact occurs during a period (not greater than 1 year) which is specified in a notice which—

“(A) informs the taxpayer that contacts with persons other than the taxpayer are intended to be made during such period, and
“(B) except as otherwise provided by the Secretary, is provided to the taxpayer not later than 45 days before the beginning of such period.

Nothing in the preceding sentence shall prevent the issuance of notices to the same taxpayer with respect to the same tax liability with periods specified therein that, in the aggregate, exceed 1 year. A notice shall not be issued under this paragraph unless there is an intent at the time such notice is issued to contact persons other than the taxpayer during the period specified in such notice. The preceding sentence shall not prevent the issuance of a notice if the requirement of such sentence is met on the basis of the assumption that the information sought to be obtained by such contact will not be obtained by other means before such contact.”.

(b) Effective Date.—The amendment made by this section shall apply to notices provided, and contacts of persons made, after the date which is 45 days after the date of the enactment of this Act.

Sec. 1207. Modification of Authority to Issue Designated Summons.

(a) In General.—Paragraph (1) of section 6503(j) is amended by striking “coordinated examination pro-
gram” and inserting “coordinated industry case pro-
gram”.

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

“(i) the issuance of such summons is
preceded by a review and written approval
of such issuance by the Commissioner of
the relevant operating division of the Inter-
nal Revenue Service and the Chief Counsel
which—

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

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

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

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

(d) EFFECTIVE DATE.—The amendments made by
this section shall apply to summonses issued after the date
of the enactment of this Act.

SEC. 1208. LIMITATION ON ACCESS OF NON-INTERNAL REVENUE SERVICE EMPLOYEES TO RETURNS
AND RETURN INFORMATION.

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

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

(b) EFFECTIVE DATE.—The amendment made by
this section—
(1) shall take effect on the date of the enactment of this Act, and

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

Subtitle D—Organizational Modernization

SEC. 1301. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.

(a) TAXPAYER ADVOCATE DIRECTIVES.—

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

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

“(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

“(B) in the case of any directive which is modified or rescinded by a Deputy Commissioner, the National Taxpayer Advocate may
(not later than 90 days after such modification or rescission) appeal to the Commissioner and the Commissioner shall (not later than 90 days after such appeal is made) ensure compliance with such directive as issued by the National Taxpayer Advocate or provide the National Taxpayer Advocate with a detailed description of the reasons for any modification or rescission made or upheld by the Commissioner pursuant to such appeal.”.

(2) Report to certain committees of Congress regarding directives.—Section 7803(c)(2)(B)(ii) is amended by redesignating subclauses (VIII) through (XI) as subclauses (IX) through (XII), respectively, and by inserting after subclause (VII) the following new subclause:

“(VIII) identify any Taxpayer Advocate Directive which was not honored by the Internal Revenue Service in a timely manner, as specified under paragraph (5);”.

(b) National Taxpayer Advocate Annual Reports to Congress.—

(1) Inclusion of most serious taxpayer problems.—Section 7803(e)(2)(B)(ii)(III) is
amended by striking “at least 20 of the” and inserting “the 10”.

(2) COORDINATION WITH TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Section 7803(c)(2) is amended by adding at the end the following new subparagraph:

“(E) COORDINATION WITH TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Before beginning any research or study, the National Taxpayer Advocate shall coordinate with the Treasury Inspector General for Tax Administration to ensure that the National Taxpayer Advocate does not duplicate any action that the Treasury Inspector General for Tax Administration has already undertaken or has a plan to undertake.”.

(3) STATISTICAL SUPPORT.—

(A) IN GENERAL.—Section 6108 is amended by adding at the end the following new subsection:

“(d) STATISTICAL SUPPORT FOR NATIONAL TAXPAYER ADVOCATE.—The Secretary shall, upon request of the National Taxpayer Advocate, provide the National Taxpayer Advocate with statistical support in connection with the preparation by the National Taxpayer Advocate
of the annual report described in section 7803(c)(2)(B)(ii). Such statistical support shall include statistical studies, compilations, and the review of information provided by the National Taxpayer Advocate for statistical validity and sound statistical methodology.”.

(B) DISCLOSURE OF REVIEW.—Section 7803(c)(2)(B)(ii), as amended by subsection (a), is amended by redesignating subclause (XII) as subclause (XIII) and by inserting after subclause (XI) the following new subclause:

“(XII) with respect to any statistical information included in such report, include a statement of whether such statistical information was reviewed or provided by the Secretary under section 6108(d) and, if so, whether the Secretary determined such information to be statistically valid and based on sound statistical methodology.”.

(C) CONFORMING AMENDMENT.—Section 7803(c)(2)(B)(iii) is amended by adding at the end the following: “The preceding sentence shall not apply with respect to statistical information provided to the Secretary for review, or
received from the Secretary, under section 6108(d)."

(c) **Salary of National Taxpayer Advocate.**—Section 7803(c)(1)(B)(i) is amended by striking "‘, or, if the Secretary of the Treasury so determines, at a rate fixed under section 9503 of such title’’.

(d) **Effective Date.**—

(1) In General.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) Salary of National Taxpayer Advocate.—The amendment made by subsection (c) shall apply to compensation paid to individuals appointed as the National Taxpayer Advocate after the date of the enactment of this Act.

**SEC. 1302. Modernization of Internal Revenue Service Organizational Structure.**

(a) In General.—Not later than September 30, 2020, the Commissioner of the Internal Revenue Service shall submit to Congress a comprehensive written plan to redesign the organization of the Internal Revenue Service.

Such plan shall—

(1) ensure the successful implementation of the priorities specified by Congress in this Act,
(2) prioritize taxpayer services to ensure that all taxpayers easily and readily receive the assistance that they need,

(3) streamline the structure of the agency including minimizing the duplication of services and responsibilities within the agency,

(4) best position the Internal Revenue Service to combat cybersecurity and other threats to the Internal Revenue Service, and

(5) address whether the Criminal Investigation Division of the Internal Revenue Service should report directly to the Commissioner.

(b) Repeal of Restriction on Organizational Structure of Internal Revenue Service.—Paragraph (3) of section 1001(a) of the Internal Revenue Service Restructuring and Reform Act of 1998 shall cease to apply beginning 1 year after the date on which the Commissioner of the Internal Revenue Service submits to Congress the plan described in subsection (a).

Subtitle E—Other Provisions

SEC. 1401. RETURN PREPARATION PROGRAMS FOR APPLICABLE TAXPAYERS.

(a) In General.—Chapter 77 is amended by inserting after section 7526 the following new section:
“SEC. 7526A. RETURN PREPARATION PROGRAMS FOR APPLICABLE TAXPAYERS.

“(a) Establishment of Volunteer Income Tax Assistance Matching Grant Program.—The Secretary shall establish a Community Volunteer Income Tax Assistance Matching Grant Program under which the Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of qualified return preparation programs assisting applicable taxpayers and members of underserved populations.

“(b) Use of Funds.—

“(1) In general.—Qualified return preparation programs may use grants received under this section for—

“(A) ordinary and necessary costs associated with program operation in accordance with cost principles under the applicable Office of Management and Budget circular, including—

“(i) wages or salaries of persons coordinating the activities of the program,

“(ii) developing training materials, conducting training, and performing quality reviews of the returns prepared under the program,

“(iii) equipment purchases, and
“(iv) vehicle-related expenses associated with remote or rural tax preparation services,

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

“(C) services related to financial education and capability, asset development, and the establishment of savings accounts in connection with tax return preparation.

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

“(A) the salary (including fringe benefits) of individuals performing services for the program,

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

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

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

“(c) APPLICATION.—
“(1) IN GENERAL.—Each applicant for a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(2) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications which demonstrate—

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

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

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

“(3) AMOUNTS TAKEN INTO ACCOUNT.—In determining matching grants under this section, the Secretary shall only take into account amounts provided by the qualified return preparation program for expenses described in subsection (b).

“(d) PROGRAM ADHERENCE.—

“(1) IN GENERAL.—The Secretary shall establish procedures for, and shall conduct not less fre-
quently than once every 5 calendar years during which a qualified return preparation program is operating under a grant under this section, periodic site visits—

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

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

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

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

“(B) is subsequently determined—

“(i) not to meet the program adherence standards described in paragraph (1)(B), or

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

such program shall not be eligible for any additional grants under this section unless such program provides sufficient documentation of corrective meas-
ures established to address any such deficiencies de-
termined.

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

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

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

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

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

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

“(2) QUALIFIED ENTITY.—

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

“(i) is an eligible organization,

“(ii) is in compliance with Federal tax filing and payment requirements,
“(iii) is not debarred or suspended from Federal contracts, grants, or cooperative agreements, and

“(iv) agrees to provide documentation to substantiate any matching funds provided pursuant to the grant program under this section.

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

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

“(ii) an organization described in section 501(c) and exempt from tax under section 501(a),

“(iii) a local government agency, including—

“(I) a county or municipal government agency, and
“(II) an Indian tribe, as defined in section 4(13) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(13)), including any tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), tribal subsidiary, subdivision, or other wholly owned tribal entity,

“(iv) a local, State, regional, or national coalition (with one lead organization which meets the eligibility requirements of clause (i), (ii), or (iii) acting as the applicant organization), or

“(v) in the case of applicable taxpayers and members of underserved populations with respect to which no organizations described in the preceding clauses are available—

“(I) a State government agency,

or

“(II) an office providing Cooperative Extension services (as established at the land-grant colleges and
universities under the Smith-Lever Act of May 8, 1914).

“(3) APPLICABLE TAXPAYERS.—The term ‘applicable taxpayer’ means a taxpayer whose income for the taxable year does not exceed an amount equal to the completed phaseout amount under section 32(b) for a married couple filing a joint return with three or more qualifying children, as determined in a revenue procedure or other published guidance.

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

“(f) SPECIAL RULES AND LIMITATIONS.—

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

“(2) AGGREGATE LIMITATION.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $30,000,000 per
fiscal year (exclusive of costs of administering the program) to grants under this section.

“(g) PROMOTION OF PROGRAMS.—

“(1) IN GENERAL.—The Secretary shall pro-
mote tax preparation through qualified return prepar-
ation programs through the use of mass commun-
ications and other means.

“(2) PROVISION OF INFORMATION REGARDING QUALIFIED RETURN PREPARATION PROGRAMS.—The Secretary may provide taxpayers information regarding qualified return preparation programs receiving grants under this section.

“(3) VITA GRANTEE REFERRAL.—Qualified re-
turn preparation programs receiving a grant under this section are encouraged, in appropriate cases, to—

“(A) advise taxpayers of the availability of, and eligibility requirements for receiving, advice and assistance from qualified low-income taxpayer clinics receiving funding under section 7526, and

“(B) provide information regarding the lo-
cation of, and contact information for, such clinics.”.
(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by inserting after the item relating to section 7526 the following new item:

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

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

(a) IN GENERAL.—Section 7526(c) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(6) PROVISION OF INFORMATION REGARDING QUALIFIED LOW-INCOME TAXPAYER CLINICS.—Notwithstanding any other provision of law, officers and employees of the Department of the Treasury may—

“(A) advise taxpayers of the availability of, and eligibility requirements for receiving, advice and assistance from one or more specific qualified low-income taxpayer clinics receiving funding under this section, and

“(B) provide information regarding the location of, and contact information for, such clinics.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.
SEC. 1403. NOTICE FROM IRS REGARDING CLOSURE OF
TAXPAYER ASSISTANCE CENTERS.

Not later than 90 days before the date that a proposed closure of a Taxpayer Assistance Center would take effect, the Secretary of the Treasury (or the Secretary’s delegate) shall—

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

(A) identifies the Taxpayer Assistance Center proposed for closure and the date of such proposed closure, and

(B) identifies the relevant alternative sources of taxpayer assistance which may be utilized by taxpayers affected by such proposed closure, and

(2) submit to Congress a written report that includes—

(A) the information included in the notice described in paragraph (1),

(B) the reasons for such proposed closure, and

(C) such other information as the Secretary may determine appropriate.
SEC. 1404. RULES FOR SEIZURE AND SALE OF PERISHABLE GOODS RESTRICTED TO ONLY PERISHABLE GOODS.

(a) In General.—Section 6336 of the Internal Revenue Code of 1986 is amended by striking “or become greatly reduced in price or value by keeping, or that such property cannot be kept without great expense”.

(b) Effective Date.—The amendment made by this section shall apply to property seized after the date of the enactment of this Act.

SEC. 1405. WHISTLEBLOWER REFORMS.

(a) Modifications to Disclosure Rules for Whistleblowers.—

(1) In General.—Section 6103(k) is amended by adding at the end the following new paragraph:

“(13) Disclosure to Whistleblowers.—

“(A) In General.—The Secretary may disclose, to any individual providing information relating to any purpose described in paragraph (1) or (2) of section 7623(a), return information related to the investigation of any taxpayer with respect to whom the individual has provided such information, but only to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determina-
tion of tax liability for tax, or the amount to be
collected with respect to the enforcement of any
other provision of this title.

“(B) Updates on whistleblower investi-
gations.—The Secretary shall disclose to
an individual providing information relating to
any purpose described in paragraph (1) or (2)
of section 7623(a) the following:

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

“(ii) Not later than 60 days after a
taxpayer with respect to whom the indi-
vidual has provided information has made
a payment of tax with respect to tax lia-
ibility to which such information relates, a no-
tice with respect to such payment.

“(iii) Subject to such requirements
and conditions as are prescribed by the
Secretary, upon a written request by such
individual—
“(I) information on the status and stage of any investigation or action related to such information, and

“(II) in the case of a determination of the amount of any award under section 7623(b), the reasons for such determination.

Clause (iii) shall not apply to any information if the Secretary determines that disclosure of such information would seriously impair Federal tax administration. Information described in clauses (i), (ii), and (iii) may be disclosed to a designee of the individual providing such information in accordance with guidance provided by the Secretary.”.

(2) Conforming amendments.—

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

(B) Penalty for unauthorized disclosure.—Section 7213(a)(2) is amended by striking “(k)(10)” and inserting “(k)(10) or (13)”.
(C) Coordination with authority to disclose for investigative purposes.—

Section 6103(k)(6) is amended by adding at the end the following new sentence: “This paragraph shall not apply to any disclosure to an individual providing information relating to any purpose described in paragraph (1) or (2) of section 7623(a) which is made under paragraph (13)(A).”.

(b) Protection against retaliation.—Section 7623 is amended by adding at the end the following new subsection:

“(d) Civil action to protect against retaliation cases.—

“(1) Anti-retaliation whistleblower protection for employees.—No employer, or any officer, employee, contractor, subcontractor, or agent of such employer, may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee in the terms and conditions of employment (including through an act in the ordinary course of such employee’s duties) in reprisal for any lawful act done by the employee—

“(A) to provide information, cause information to be provided, or otherwise assist in an
investigation regarding underpayment of tax or any conduct which the employee reasonably believes constitutes a violation of the internal revenue laws or any provision of Federal law relating to tax fraud, when the information or assistance is provided to the Internal Revenue Service, the Secretary of Treasury, the Treasury Inspector General for Tax Administration, the Comptroller General of the United States, the Department of Justice, the United States Congress, a person with supervisory authority over the employee, or any other person working for the employer who has the authority to investigate, discover, or terminate misconduct, or

“(B) to testify, participate in, or otherwise assist in any administrative or judicial action taken by the Internal Revenue Service relating to an alleged underpayment of tax or any violation of the internal revenue laws or any provision of Federal law relating to tax fraud.

“(2) ENFORCEMENT ACTION.—

“(A) IN GENERAL.—A person who alleges discharge or other reprisal by any person in violation of paragraph (1) may seek relief under paragraph (3) by—
“(i) filing a complaint with the Secretary of Labor, or

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

“(B) PROCEDURE.—

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

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

“(iii) BURDENS OF PROOF.—An action brought under subparagraph (A)(ii)
shall be governed by the legal burdens of proof set forth in section 42121(b) of title 49, United States Code, except that in applying such section—

“(I) ‘behavior described in paragraph (1)’ shall be substituted for ‘behavior described in paragraphs (1) through (4) of subsection (a)’ each place it appears in paragraph (2)(B) thereof, and

“(II) ‘a violation of paragraph (1)’ shall be substituted for ‘a violation of subsection (a)’ each place it appears.

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

“(v) JURY TRIAL.—A party to an action brought under subparagraph (A)(ii) shall be entitled to trial by jury.

“(3) REMEDIES.—

“(A) IN GENERAL.—An employee prevailing in any action under paragraph (2)(A)
shall be entitled to all relief necessary to make
the employee whole.

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

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

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

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

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

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

“(A) WAIVER OF RIGHTS AND REM-
edies.—The rights and remedies provided for
in this subsection may not be waived by any agreement, policy form, or condition of employment, including by a predispute arbitration agreement.

“(B) PREDISPUTE ARBITRATION AGREEMENTS.—No predispute arbitration agreement shall be valid or enforceable, if the agreement requires arbitration of a dispute arising under this subsection.”.

(c) EFFECTIVE DATE.—

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

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

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

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

(1) Information about common tax scams.

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

SEC. 1407. MISDIRECTED TAX REFUND DEPOSITS.

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

“(n) MISDIRECTED DIRECT DEPOSIT REFUND.—Not
later than the date which is 6 month after the date of
the enactment of the Taxpayer First Act of 2018, the Sec-
retary shall prescribe regulations to establish procedures
to allow for—

“(1) taxpayers to report instances in which a
refund made by the Secretary by electronic funds
transfer was erroneously delivered to an account at
a financial institution for which the taxpayer is not
the owner;

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

“(A) identifying erroneous payments de-
scribed in paragraph (1); and

“(B) recovery of the erroneously trans-
ferred amounts; and

“(3) the refund to be delivered to the correct
account of the taxpayer.”.
TITLE II—21ST CENTURY IRS
Subtitle A—Cybersecurity and Identity Protection

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

The Secretary of the Treasury (or the Secretary’s delegate) shall work collaboratively with the public and private sectors to protect taxpayers from identity theft refund fraud.

SEC. 2002. RECOMMENDATIONS OF ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE REGARDING
IDENTITY THEFT REFUND FRAUD.

The Secretary of the Treasury shall ensure that the advisory group convened by the Secretary pursuant to section 2001(b)(2) of the Internal Revenue Service Restructuring and Reform Act of 1998 (commonly known as the Electronic Tax Administration Advisory Committee) studies (including by providing organized public forums) and makes recommendations to the Secretary regarding methods to prevent identity theft and refund fraud.

SEC. 2003. INFORMATION SHARING AND ANALYSIS CENTER.

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

(b) **Development of Performance Metrics.**—

The Secretary of the Treasury (or the Secretary’s delegate) shall develop metrics for measuring the success of such center in detecting and preventing identity theft tax refund fraud.

(c) **Disclosure.**—

(1) **In General.**—Section 6103(k), as amended by this Act, is amended by adding at the end the following new paragraph:

“(14) **Disclosure of Return Information for Purposes of Cybersecurity and the Prevention of Identity Theft Tax Refund Fraud.**—

“(A) **In General.**—Under such procedures and subject to such conditions as the Secretary may prescribe, the Secretary may disclose specified return information to specified ISAC participants to the extent that the Secretary determines such disclosure is in furtherance of effective Federal tax administration relating to the detection or prevention of identity theft tax refund fraud, validation of taxpayer
identity, authentication of taxpayer returns, or
detection or prevention of cybersecurity threats.

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

“(i) IN GENERAL.—The term ‘specified ISAC participant’ means—

“(I) any person designated by the Secretary as having primary re-

sponsibility for a function performed with respect to the information shar-

ing and analysis center described in section 2003(a) of the Taxpayer First

Act of 2018, and

“(II) any person subject to the requirements of section 7216 and

which is a participant in such infor-

mation sharing and analysis center.

“(ii) INFORMATION SHARING AGRE-

MENT.—Such term shall not include any person unless such person has entered into

a written agreement with the Secretary setting forth the terms and conditions for

the disclosure of information to such per-

son under this paragraph, including re-

quirements regarding the protection and
safeguarding of such information by such
person.

“(C) SPECIFIED RETURN INFORMATION.—

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

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

“(I) in the case of such return
filed electronically, the internet pro-
tocol address, device identification,
email domain name, speed of comple-
tion, method of authentication, refund
method, and such other return infor-

mation related to the electronic filing
characteristics of such return as the
Secretary may identify for purposes of
this subclause, and

“(II) in the case of such return
prepared by a tax return preparer,
identifying information with respect to
such tax return preparer, including
the preparer taxpayer identification
number and electronic filer identifica-
tion number of such preparer,
“(ii) in the case of a return which is in connection with a case of a identity theft refund fraud which has been confirmed by the Secretary (pursuant to such procedures as the Secretary may provide), the information referred to in subclauses (I) and (II) of clause (i), the name and taxpayer identification number of the taxpayer as it appears on the return, and any bank account and routing information provided for making a refund in connection with such return, and

“(iii) in the case of any cybersecurity threat to the Internal Revenue Service, information similar to the information described in subclauses (I) and (II) of clause (i) with respect to such threat.

“(D) Restriction on use of disclosed information.—

“(i) Designated third parties.—Any return information received by a person described in subparagraph (B)(i)(I) shall be used only for the purposes of and to the extent necessary in—
“(I) performing the function such person is designated to perform under such subparagraph,

“(II) facilitating disclosures authorized under subparagraph (A) to persons described in subparagraph (B)(i)(II), and

“(III) facilitating disclosures authorized under subsection (d) to participants in such information sharing and analysis center.

“(ii) RETURN PREPARERS.—Any return information received by a person described in subparagraph (B)(i)(II) shall be treated for purposes of section 7216 as information furnished to such person for, or in connection with, the preparation of a return of the tax imposed under chapter 1.

“(E) DATA PROTECTION AND SAFEGUARDS.—Return information disclosed under this paragraph shall be subject to such protections and safeguards as the Secretary may require in regulations or other guidance or in the written agreement referred to in subparagraph (B)(ii). Such written agreement shall include a
requirement that any unauthorized access to in-
formation disclosed under this paragraph, and
any breach of any system in which such infor-
modation is held, be reported to the Treasury In-
spector General for Tax Administration.”.

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

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

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

SEC. 2004. COMPLIANCE BY CONTRACTORS WITH CON-
FIDENTIALITY SAFEGUARDS.

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

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

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

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

“(C) submits the findings of the most recent review conducted under subparagraph (B) to the Secretary as part of the report required by paragraph (4)(E), and

“(D) certifies to the Secretary for the most recent annual period that such contractor or other agent is in compliance with all such requirements.

The certification required by subparagraph (D) shall include the name and address of each contractor or other agent, a description of the contract or agreement with such contractor or other agent, and the duration of such contract or agreement. The requirements of this paragraph shall not apply to disclosure—
sures pursuant to subsection (n) for purposes of Federal tax administration.”.

(b) **Conforming Amendment.**—Section 6103(p)(8)(B) is amended by inserting “or paragraph (9)” after “subparagraph (A)”.

c) **Effective Date.**—The amendments made by this section shall apply to disclosures made after December 31, 2022.

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

Not later than 2 years after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary’s delegate), in coordination with the Bureau of Fiscal Service and the Internal Revenue Service, and in consultation with private sector financial institutions, shall submit a written report to Congress describing how the government can utilize new payment platforms to increase the number of tax refunds paid by electronic funds transfer. Such report shall weigh the interests of reducing identity theft tax refund fraud, reducing the Federal Government’s costs in delivering tax refunds, the costs and any associated fees charged to taxpayers (including monthly and point-of-service fees) to access their tax refunds, the impact on individuals who do not have access to financial accounts or institutions, and ensuring payments are made to accounts at a financial institution that complies with
section 21 of the Federal Deposit Insurance Act, chapter 2 of title I of Public Law 91–508, and subchapter II of chapter 53 of title 31, United States Code (commonly referred to collectively as the “Bank Secrecy Act”) and the USA PATRIOT Act. Such report shall include any legislative recommendations necessary to accomplish these goals.

SEC. 2006. IDENTITY PROTECTION PERSONAL IDENTIFICATION NUMBERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Treasury or the Secretary’s delegate (hereafter referred to in this section as the “Secretary”) shall establish a program to issue, upon the request of any individual, a number which may be used in connection with such individual’s social security number (or other identifying information with respect to such individual as determined by the Secretary) to assist the Secretary in verifying such individual’s identity.

(b) REQUIREMENTS.—

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

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

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

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

(b) **SINGLE POINT OF CONTACT.**—

(1) **IN GENERAL.**—For purposes of subsection 
(a), the single point of contact shall consist of a 
team or subset of specially trained employees who—
(A) have the ability to work across functions to resolve the issues involved in the taxpayer’s case; and

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

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

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

(B) notify the taxpayer when appropriate.

SEC. 2008. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

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

“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

“(a) IN GENERAL.—If the Secretary determines that there has been or may have been an unauthorized use of the identity of any individual, the Secretary shall, without jeopardizing an investigation relating to tax administration—

“(1) as soon as practicable, notify the individual of such determination and provide—
“(A) instructions on how to file a report with law enforcement regarding the unauthorized use of the identity of the individual,

“(B) the identification of any forms necessary for the individual to complete and submit to law enforcement to permit access to personal information of the individual during the investigation,

“(C) information regarding actions the individual may take in order to protect the individual from harm relating to such unauthorized use, and

“(D) an offer of identity protection measures to be provided to the individual by the Internal Revenue Service, such as the use of an identity protection personal identification number, and

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

“(A) whether an investigation has been initiated in regards to such unauthorized use,
“(B) whether the investigation substantiated an unauthorized use of the identity of the individual, and

“(C) whether—

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

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

“(b) EMPLOYMENT-RELATED IDENTITY THEFT.—

“(1) IN GENERAL.—For purposes of this section, the unauthorized use of the identity of an individual includes the unauthorized use of the identity of the individual to obtain employment.

“(2) DETERMINATION OF EMPLOYMENT-RELATED IDENTITY THEFT.—For purposes of this section, in making a determination as to whether there has been or may have been an unauthorized use of the identity of an individual to obtain employment, the Secretary shall review any information—

“(A) obtained from a statement described in section 6051 or an information return relat-
ing to compensation for services rendered other than as an employee, or

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

which indicates that the social security account number provided on such statement or information return does not correspond with the name provided on such statement or information return or the name on the tax return reporting the income which is included on such statement or information return.”.

(b) ADDITIONAL MEASURES.—

(1) EXAMINATION OF BOTH PAPER AND ELECTRONIC STATEMENTS AND RETURNS.—The Secretary of the Treasury (or the Secretary’s delegate) shall examine the statements, information returns, and tax returns described in section 7529(b)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) for any evidence of employment-related identity theft, regardless of whether such statements or returns are submitted electronically or on paper.

(2) IMPROVEMENT OF EFFECTIVE RETURN PROCESSING PROGRAM WITH SOCIAL SECURITY AD-
MINISTRATION.—Section 232 of the Social Security Act (42 U.S.C. 432) is amended by inserting after the third sentence the following: “For purposes of carrying out the return processing program described in the preceding sentence, the Commissioner of Social Security shall request, not less than annually, such information described in section 7529(b)(2) of the Internal Revenue Code of 1986 as may be necessary to ensure the accuracy of the records maintained by the Commissioner of Social Security related to the amounts of wages paid to, and the amounts of self-employment income derived by, individuals.”.

(3) UNDERREPORTING OF INCOME.—The Secretary (or the Secretary’s delegate) shall establish procedures to ensure that income reported in connection with the unauthorized use of a taxpayer’s identity is not taken into account in determining any penalty for underreporting of income by the victim of identity theft.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

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

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations made after the
date that is 6 months after the date of the enactment of
this Act.

SEC. 2009. GUIDELINES FOR STOLEN IDENTITY REFUND
FRAUD CASES.

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

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

(1) standards for—

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

(B) the maximum length of time, on aver-
age, a taxpayer who is a victim of stolen iden-
tity refund fraud and is entitled to a tax refund
which has been stolen should have to wait to re-
ceive such refund; and
(C) the maximum number of offices and employees within the Internal Revenue Service with whom a taxpayer who is a victim of stolen identity refund fraud should be required to interact in order to resolve a case;

(2) standards for opening, assigning, reassigning, or closing a case involving stolen identity refund fraud; and

(3) procedures for implementing and accomplishing the standards described in paragraphs (1) and (2), and measures for evaluating such procedures and determining whether such standards have been successfully implemented.

SEC. 2010. INCREASED PENALTY FOR IMPROPER DISCLOSURE OR USE OF INFORMATION BY PREPARERS OF RETURNS.

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

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

(2) by inserting after subsection (a) the following new subsection:

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

“(1) IN GENERAL.—In the case of a disclosure or use described in subsection (a) that is made in
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 crime involves any tax filing, subsection (a) shall be applied—

“(A) by substituting ‘$1,000’ for ‘$250’, and

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

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

(b) CRIMINAL PENALTY.—Section 7216(a) is amended by striking “$1,000” and inserting “$1,000 ($100,000 in the case of a disclosure or use to which section 6713(b) applies)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures or uses on or after the date of the enactment of this Act.
Subtitle B—Development of Information Technology

SEC. 2101. MANAGEMENT OF INTERNAL REVENUE SERVICE INFORMATION TECHNOLOGY.

(a) Duties and Responsibilities of Internal Revenue Service Chief Information Officer.—Section 7803, as amended by section 1001, is amended by adding at the end the following new subsection:

“(f) Internal Revenue Service Chief Information Officer.—

“(1) In General.—There shall be in the Internal Revenue Service an Internal Revenue Service Chief Information Officer (hereafter referred to in this subsection as the ‘IRS CIO’) who shall be appointed by the Commissioner of the Internal Revenue Service.

“(2) Centralized Responsibility for Internal Revenue Service Information Technology.—The Commissioner of the Internal Revenue Service (and the Secretary) shall act through the IRS CIO with respect to all development, implementation, and maintenance of information technology for the Internal Revenue Service. Any reference in this subsection to the IRS CIO which directs the IRS CIO to take any action, or to assume
any responsibility, shall be treated as a reference to the Commissioner of the Internal Revenue Service acting through the IRS CIO.

“(3) GENERAL DUTIES AND RESPONSIBILITIES.—The IRS CIO shall—

“(A) be responsible for the development, implementation, and maintenance of information technology for the Internal Revenue Service,

“(B) ensure that the information technology of the Internal Revenue Service is secure and integrated,

“(C) maintain operational control of all information technology for the Internal Revenue Service,

“(D) be the principal advocate for the information technology needs of the Internal Revenue Service, and

“(E) consult with the Chief Procurement Officer of the Internal Revenue Service to ensure that the information technology acquired for the Internal Revenue Service is consistent with—
“(i) the goals and requirements specified in subparagraphs (A) through (D), and

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

“(4) STRATEGIC PLAN.—

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

“(i) include performance measurements of such technology and of the implementation of such plan,

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

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

“(iv) take into account planned major acquisitions of information technology by the Internal Revenue Service, including Customer Account Data Engine 2 and the Enterprise Case Management System, and
“(v) align with the needs and strategic plan of the Internal Revenue Service.

“(B) PLAN UPDATES.—The IRS CIO shall, not less frequently than annually, review and update the strategic plan under subparagraph (A) (including the plan for an integrated enterprise architecture described in subparagraph (A)(ii)) to take into account the development of new information technology and the needs of the Internal Revenue Service.

“(5) SCOPE OF AUTHORITY.—

“(A) INFORMATION TECHNOLOGY.—For purposes of this subsection, the term ‘information technology’ has the meaning given such term by section 11101 of title 40, United States Code.

“(B) INTERNAL REVENUE SERVICE.—Any reference in this subsection to the Internal Revenue Service includes a reference to all components of the Internal Revenue Service, including—

“(i) the Office of the Taxpayer Advocate,

“(ii) the Criminal Investigation Division of the Internal Revenue Service, and
“(iii) except as otherwise provided by the Secretary with respect to information technology related to matters described in subsection (b)(3)(B), the Office of the Chief Counsel.”.

(b) INDEPENDENT VERIFICATION AND VALIDATION OF THE CUSTOMER ACCOUNT DATA ENGINE 2 AND ENTERPRISE CASE MANAGEMENT SYSTEM.—

(1) IN GENERAL.—The Commissioner of the Internal Revenue Service shall enter into a contract with an independent reviewer to verify and validate the implementation plans (including the performance milestones and cost estimates included in such plans) developed for the Customer Account Data Engine 2 and the Enterprise Case Management System.

(2) DEADLINE FOR COMPLETION.—Such contract shall require that such verification and validation be completed not later than the date which is 1 year after the date of the enactment of this Act.

(3) APPLICATION TO PHASES OF CADE 2.—

(A) IN GENERAL.—Paragraphs (1) and (2) shall not apply to phase 1 of the Customer Account Data Engine 2 and shall apply separately to each other phase.
(B) Deadline for Completing Plans.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of the Internal Revenue Service shall complete the development of plans for all phases of the Customer Account Data Engine 2.

(C) Deadline for Completion of Verification and Validation of Plans.—In the case of any phase after phase 2 of the Customer Account Data Engine 2, paragraph (2) shall be applied by substituting “the date on which the plan for such phase was completed” for “the date of the enactment of this Act”.

(e) Coordination of IRS CIO and Chief Procurement Officer of the Internal Revenue Service.—

(1) In General.—The Chief Procurement Officer of the Internal Revenue Service shall—

(A) identify all significant IRS information technology acquisitions and provide written notification to the Internal Revenue Service Chief Information Officer (hereafter referred to in this subsection as the “IRS CIO”) of each such acquisition in advance of such acquisition, and
(B) regularly consult with the IRS CIO regarding acquisitions of information technology for the Internal Revenue Service, including meeting with the IRS CIO regarding such acquisitions upon request.

(2) **Significant IRS Information Technology Acquisitions.**—For purposes of this subsection, the term “significant IRS information technology acquisitions” means—

(A) any acquisition of information technology for the Internal Revenue Service in excess of $1,000,000, and

(B) such other acquisitions of information technology for the Internal Revenue Service (or categories of such acquisitions) as the IRS CIO, in consultation with the Chief Procurement Officer of the Internal Revenue Service, may identify.

(3) **Scope.**—Terms used in this subsection which are also used in section 7803(f) of the Internal Revenue Code of 1986 (as amended by subsection (a)) shall have the same meaning as when used in such section.
SEC. 2102. DEVELOPMENT OF ONLINE ACCOUNTS AND PORTALS.

(a) In General.—The Secretary of the Treasury or the Secretary’s delegate (hereafter referred to in this section as the “Secretary”) shall—

(1) develop secure individualized online accounts to provide services to taxpayers and their designated return preparers, including obtaining taxpayer information, making payment of taxes, sharing documentation, and (to the extent feasible) addressing and correcting issues, and

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

(b) Electronic Services Treated as Supplemental; Application of Security Standards.—The Secretary shall ensure that the processes described in subsection (a)—

(1) are a supplement to, and not a replacement for, other services provided by the Internal Revenue Service to taxpayers, including face-to-face taxpayer assistance and services provided by phone, and

(2) comply with applicable security standards and guidelines.

(c) Process for Developing Online Accounts.—
(1) Development of Plan.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall submit to Congress a written report describing the Secretary’s plan for developing the secure individualized online accounts described in subsection (a)(1). Such plan shall address the feasibility of taxpayers addressing and correcting issues through such accounts and whether access to such accounts should be restricted and in what manner.

(2) Deadline.—The Secretary shall make every reasonable effort to make the secure individualized online accounts described in subsection (a)(1) available to taxpayers by December 31, 2023.

SEC. 2103. Internet Platform for Form 1099 Filings.

(a) In General.—Not later than January 1, 2023, the Secretary of the Treasury or the Secretary’s delegate (hereafter referred to in this section as the “Secretary”) shall make available an Internet website or other electronic media, with a user interface and functionality similar to the Business Services Online Suite of Services provided by the Social Security Administration, that will provide access to resources and guidance provided by the Internal Revenue Service and will allow persons to—

(1) prepare and file Forms 1099,
(2) prepare Forms 1099 for distribution to recipients other than the Internal Revenue Service, and
(3) maintain a record of completed and submitted Forms 1099.

(b) ELECTRONIC SERVICES TREATED AS SUPPLEMENTAL; APPLICATION OF SECURITY STANDARDS.—The Secretary shall ensure that the services described in subsection (a)—
(1) are a supplement to, and not a replacement for, other services provided by the Internal Revenue Service to taxpayers, and
(2) comply with applicable security standards and guidelines.

SEC. 2104. STREAMLINED CRITICAL PAY AUTHORITY FOR INFORMATION TECHNOLOGY POSITIONS.

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

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

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

“(1) section 9503 of title 5, United States Code, shall be applied—
“(A) by substituting ‘during the period beginning on the date of the enactment of section 7812 of the Internal Revenue Code of 1986, and ending on September 30, 2023’ for ‘Before September 30, 2013 in subsection (a)’,

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

“(C) by substituting ‘the date of the enactment of the Taxpayer First Act of 2018’ for ‘June 1, 1998’ in subsection (a)(6),

“(2) section 9504 of such title 5 shall be applied by substituting ‘During the period beginning on the date of the enactment of section 7812 of the Internal Revenue Code of 1986, and ending on September 30, 2023’ for ‘Before September 30, 2013’ each place it appears in subsections (a) and (b), and

“(3) section 9505 of such title shall be applied—

“(A) by substituting ‘During the period beginning on the date of the enactment of section 7812 of the Internal Revenue Code of 1986, and ending on September 30, 2023’ for ‘Before September 30, 2013’ in subsection (a), and
“(B) by substituting ‘the information technology operations’ for ‘significant functions’ in subsection (a).”.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 80 is amended by adding at the end the following new item:

“Sec. 7812. 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.

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

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

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

(b) QUALIFIED DISCLOSURE.—For purposes of this section, the term “qualified disclosure” means a disclosure under section 6103(e) of the Internal Revenue Code of
1986 of returns or return information by the Secretary to a person seeking to verify the income or creditworthiness of a taxpayer who is a borrower in the process of a loan application.

(c) **APPLICATION OF SECURITY STANDARDS.**—The Secretary shall ensure that the program described in subsection (a) complies with applicable security standards and guidelines.

(d) **USER FEE.**—

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

(2) **DEPOSIT OF COLLECTIONS.**—Amounts received from fees assessed and collected under paragraph (1) shall be deposited in, and credited to, an account solely for the purpose of carrying out the activities described in subsection (a). Such amounts shall be available to carry out such activities without
need of further appropriation and without fiscal year limitation.

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

(a) In General.—Section 6103(c) is amended by adding at the end the following: “Persons designated by the taxpayer under this subsection to receive return information shall not use the information for any purpose other than the express purpose for which consent was granted and shall not disclose return information to any other person without the express permission of, or request by, the taxpayer.”.

(b) Application of Penalties.—Section 6103(a)(3) is amended by inserting “subsection (c),” after “return information under”.

(c) Effective Date.—The amendments made by this section shall apply to disclosures made after the date of the enactment of this Act.

Subtitle D—Expanded Use of Electronic Systems

SEC. 2301. ELECTRONIC FILING OF RETURNS.

(a) In General.—Section 6011(e)(2)(A) is amended by striking “250” and inserting “the applicable number of”.
(b) APPLICABLE NUMBER.—Section 6011(e) is amended by striking paragraph (5) and inserting the following new paragraphs:

“(5) APPLICABLE NUMBER.—

“(A) IN GENERAL.—For purposes of paragraph (2)(A), the applicable number shall be—

“(i) except as provided in subparagraph (B), in the case of calendar years before 2020, 250,

“(ii) in the case of calendar year 2020, 100, and

“(iii) in the case of calendar years after 2020, 10.

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

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

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

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

(c) RETURNS FILED BY A TAX RETURN PREPARER.—Section 6011(e)(3) is amended by adding at the end the following new subparagraph:

“(D) EXCEPTION FOR CERTAIN PREPARERS LOCATED IN AREAS WITHOUT INTERNET ACCESS.—The Secretary may waive the requirement of subparagraph (A) if the Secretary determines, on the basis of an application by the tax return preparer, that the preparer cannot meet such requirement by reason of being located in a geographic area which does not have access to internet service (other than dial-up or satellite service).”.

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

SEC. 2302. UNIFORM STANDARDS FOR THE USE OF ELECTRONIC SIGNATURES FOR DISCLOSURE AUTHORIZATIONS TO, AND OTHER AUTHORIZATIONS OF, PRACTITIONERS.

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

“(3) PUBLISHED GUIDANCE.—
“(A) IN GENERAL.—The Secretary shall publish guidance as appropriate to define and implement any waiver of the signature requirements or any method adopted under paragraph (1).

“(B) ELECTRONIC SIGNATURES FOR DISCLOSURE AUTHORIZATIONS TO, AND OTHER AUTHORIZATIONS OF, PRACTITIONERS.—Not later than 6 months after the date of the enactment of this subparagraph, the Secretary shall publish guidance to establish uniform standards and procedures for the acceptance of taxpayers’ signatures appearing in electronic form with respect to any request for disclosure of a taxpayer’s return or return information under section 6103(e) to a practitioner or any power of attorney granted by a taxpayer to a practitioner.

“(C) PRACTITIONER.—For purposes of subparagraph (B), the term ‘practitioner’ means any individual in good standing who is regulated under section 330 of title 31, United States Code.”.
SEC. 2303. PAYMENT OF TAXES BY DEBIT AND CREDIT CARDS.

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

SEC. 2304. REQUIREMENT THAT ELECTRONICALLY PREPARED PAPER RETURNS INCLUDE SCANABLE CODE.

(a) IN GENERAL.—Subsection (e) of section 6011, as amended by this Act, is amended by adding at the end the following new paragraph:

“(7) SPECIAL RULE FOR RETURNS PREPARED ELECTRONICALLY AND SUBMITTED ON PAPER.—The Secretary shall require that any return of tax which is prepared electronically, but is printed and filed on paper, bear a code which can, when scanned, convert such return to electronic format.”.
(b) CONFORMING AMENDMENT.—Paragraph (1) of section 6011(e) is amended by striking “paragraph (3)” and inserting “paragraphs (3) and (7)”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns of tax the due date for which (determined without regard to extensions) is after December 31, 2020.

SEC. 2305. AUTHENTICATION OF USERS OF ELECTRONIC SERVICES ACCOUNTS.

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

Subtitle E—Other Provisions

SEC. 2401. REPEAL OF PROVISION REGARDING CERTAIN TAX COMPLIANCE PROCEDURES AND REPORTS.


SEC. 2402. COMPREHENSIVE TRAINING STRATEGY.

Not later than 1 year after the date of the enactment of this Act, the Commissioner of Internal Revenue shall
submit to Congress a written report providing a comprehensive training strategy for employees of the Internal Revenue Service, including—

(1) a plan to streamline current training processes, including an assessment of the utility of further consolidating internal training programs, technology, and funding,

(2) a plan to develop annual training regarding taxpayer rights, including the role of the Office of the Taxpayer Advocate, for employees that interface with taxpayers and their managers,

(3) a plan to improve technology-based training,

(4) proposals to—

(A) focus employee training on early, fair, and efficient resolution of taxpayer disputes for employees that interface with taxpayers and their managers, and

(B) ensure consistency of skill development and employee evaluation throughout the Internal Revenue Service, and

(5) a thorough assessment of the funding necessary to implement such strategy.
TITLE III—MISCELLANEOUS
PROVISIONS

Subtitle A—Reform of Laws Governing Internal Revenue Service Employees

SEC. 3001. ELECTRONIC RECORD RETENTION.

(a) RETENTION OF RECORDS.—

(1) IN GENERAL.—Email records of the Internal Revenue Service shall be retained in an appropriate electronic system that supports records management and litigation requirements, including the capability to identify, retrieve, and retain the records, in accordance with the requirements described in paragraph (2).

(2) REQUIREMENTS.—

(A) PRIOR TO CERTIFICATION.—The Commissioner of Internal Revenue and the Chief Counsel for the Internal Revenue Service shall retain all email records generated on or after the date of the enactment of this Act and before the date on which the Treasury Inspector General for Tax Administration makes the certification under subsection (c)(1).

(B) PRINCIPAL OFFICERS AND SPECIFIED EMPLOYEES.—Not later than December 31,
2019, the Commissioner of Internal Revenue and the Chief Counsel for the Internal Revenue Service shall maintain email records of all principal officers and specified employees of the Internal Revenue Service for a period of not less than 15 years beginning on the date such record was generated.

(b) Transmittal of Records to the National Archives.—Not later than 15 years after the date on which an email record of a principal officer or specified employee of the Internal Revenue Service is generated, the Commissioner of Internal Revenue and the Chief Counsel for the Internal Revenue Service shall transfer such email record to the Archivist of the United States.

(c) Compliance.—

(1) Certification.—On the date that the Treasury Inspector General for Tax Administration determines that the Internal Revenue Service has a program in place that complies with the requirements of subsections (a)(2)(B) and (b), the Treasury Inspector General for Tax Administration shall certify to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that the Internal Revenue Service is in compliance with such requirements.
(2) REPORTS.—

(A) INTERIM REPORT.—Not later than December 31, 2019, the Treasury Inspector General for Tax Administration shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate on the steps being taken by the Commissioner of Internal Revenue and the Chief Counsel for the Internal Revenue Service to comply with the requirements of subsections (a)(2)(B) and (b).

(B) FINAL REPORT.—Not later than April 1, 2020, the Treasury Inspector General for Tax Administration shall submit a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate describing whether the Internal Revenue Service is in compliance with the requirements of subsections (a)(2)(B) and (b).

(d) DEFINITIONS.—For purposes of this section—

(1) PRINCIPAL OFFICER.—The term “principal officer” means, with respect to the Internal Revenue Service—

(A) any employee whose position is listed under the Internal Revenue Service in the most
recent version of the United States Government Manual published by the Office of the Federal Register;

(B) any employee who is a senior staff member reporting directly to the Commissioner of Internal Revenue or the Chief Counsel for the Internal Revenue Service; and

(C) any associate counsel, deputy counsel, or division head in the Office of the Chief Counsel for the Internal Revenue Service.

(2) SPECIFIED EMPLOYEE.—The term “specified employee” means, with respect to the Internal Revenue Service, any employee who—

(A) holds a Senior Executive Service position (as defined in section 3132 of title 5, United States Code) in the Internal Revenue Service or the Office of Chief Counsel for the Internal Revenue Service; and

(B) is not a principal officer of the Internal Revenue Service.
SEC. 3002. PROHIBITION ON REHIRING ANY EMPLOYEE OF THE INTERNAL REVENUE SERVICE WHO WAS INVOLUNTARILY SEPARATED FROM SERVICE FOR MISCONDUCT.

(a) In general.—Section 7804 is amended by adding at the end the following new subsection:

“(d) Prohibition on Rehiring Employees Involuntarily Separated.—The Commissioner may not hire any individual previously employed by the Commissioner who was removed for misconduct under this subchapter or chapter 43 or chapter 75 of title 5, United States Code, or whose employment was terminated under section 1203 of the Internal Revenue Service Restructuring and Reform Act of 1998 (26 U.S.C. 7804 note).”.

(b) Effective date.—The amendment made by subsection (a) shall apply with respect to the hiring of employees after the date of the enactment of this Act.

SEC. 3003. NOTIFICATION OF UNAUTHORIZED INSPECTION OR DISCLOSURE OF RETURNS AND RETURN INFORMATION.

(a) In general.—Subsection (e) of section 7431 is amended by adding at the end the following new sentences: “The Secretary shall also notify such taxpayer if the Internal Revenue Service or a Federal or State agency (upon notice to the Secretary by such Federal or State agency) proposes an administrative determination as to
disciplinary or adverse action against an employee arising
from the employee’s unauthorized inspection or disclosure
of the taxpayer’s return or return information. The notice
described in this subsection shall include the date of the
unauthorized inspection or disclosure and the rights of the
taxpayer under such administrative determination.”.

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

Subtitle B—Provisions Relating to
Exempt Organizations

SEC. 3101. MANDATORY E-FILING BY EXEMPT ORGANIZATIONS.

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

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

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

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

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) TRANSITIONAL RELIEF.—

(A) SMALL ORGANIZATIONS.—

(i) IN GENERAL.—In the case of any small organizations, or any other organizations for which the Secretary of the Treasury or the Secretary’s delegate (hereafter referred to in this paragraph as the “Secretary”) determines the application of the amendments made by this section would cause undue burden without a delay, the Secretary may delay the application of such amendments, but such delay shall not apply to any taxable year beginning on or after the date 2 years after of the enactment of this Act.
(ii) SMALL ORGANIZATION.—For purposes of clause (i), the term “small organization” means any organization—

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

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

(B) ORGANIZATIONS FILING FORM 990-T.—In the case of any organization described in section 511(a)(2) of the Internal Revenue Code of 1986 which is subject to the tax imposed by section 511(a)(1) of such Code on its unrelated business taxable income, or any organization required to file a return under section 6033 of such Code and include information under subsection (e) thereof, the Secretary may delay the application of the amendments made by this section, but such delay shall not apply to any taxable year beginning on or after the date 2 years after of the enactment of this Act.
SEC. 3102. NOTICE REQUIRED BEFORE REVOCATION OF TAX EXEMPT STATUS FOR FAILURE TO FILE RETURN.

(a) In General.—Section 6033(j)(1) is amended by striking “If an organization” and inserting the following:

“(A) Notice.—

“(i) In General.—After an organization described in subsection (a)(1) or (i) fails to file the annual return or notice required under either subsection for 2 consecutive years, the Secretary shall notify the organization—

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

“(II) about the revocation that will occur under subparagraph (B) if the organization fails to file such a return or notice by the due date for the next such return or notice required to be filed.

The notification under the preceding sentence shall include information about how to comply with the filing requirements under subsection (a)(1) and (i).
“(B) Revocation.—If an organization”.

(b) Effective Date.—The amendment made by this section shall apply to failures to file returns or notices for 2 consecutive years if the return or notice for the second year is required to be filed after December 31, 2018.

Subtitle C—Tax Court

SEC. 3301. DISQUALIFICATION OF JUDGE OR MAGISTRATE JUDGE OF THE TAX COURT.

(a) In General.—Part II of subchapter C of chapter 76 is amended by adding at the end the following new section:

“SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE JUDGE OF THE TAX COURT.

“Section 455 of title 28, United States Code, shall apply to judges and magistrate judges of the Tax Court and to proceedings of the Tax Court.”.

(b) Clerical Amendment.—The table of sections for such part is amended by adding at the end the following new item:

“Sec. 7467. Disqualification of judge or magistrate judge of the Tax Court.”.

SEC. 3302. OPINIONS AND JUDGMENTS.

(a) In General.—Section 7459 is amended by striking all the precedes subsection (e) and inserting the following:
“SEC. 7459. OPINIONS AND JUDGMENTS.

“(a) REQUIREMENT.—An opinion upon any proceeding instituted before the Tax Court and a judgment thereon shall be made as quickly as practicable. The judgment shall be made by a judge in accordance with the opinion of the Tax Court, and such judgment so made shall, when entered, be the judgment of the Tax Court.

“(b) INCLUSION OF FINDINGS OF FACT IN OPINION.—It shall be the duty of the Tax Court and of each division to include in its opinion or memorandum opinion upon any proceeding, its findings of fact. The Tax Court shall issue in writing all of its findings of fact, opinions, and memorandum opinions. Subject to such conditions as the Tax Court may by rule provide, the requirements of this subsection and of section 7460 are met if findings of fact or opinion are stated orally and recorded in the transcript of the proceedings.”.

(b) REFERENCES.—Section 7459 is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

“(g) REFERENCES.—Any reference in this title to a decision or report of the Tax Court shall be treated as a reference to a judgment or opinion of the Tax Court, respectively.”.
(c) **CONFORMING AMENDMENT.**—The item relating to section 7459 in the table of sections for part II of subchapter C of chapter 76 is amended to read as follows:

“Sec. 7459. Opinions and judgments.”.

(d) **CONTINUING EFFECT OF LEGAL DOCUMENTS.**—

All orders, decisions, reports, rules, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions, in connection with the Tax Court, which are in effect at the time this section takes effect, or were final before the effective date of this section and are to become effective on or after the effective date of this section, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Tax Court.

**SEC. 3303. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO MAGISTRATE JUDGE OF THE TAX COURT.**

(a) **IN GENERAL.**—Section 7443A is amended—

(1) by striking “special trial judges” in subsections (a) and (e) and inserting “magistrate judges of the Tax Court”,

(2) by striking “special trial judges of the court” in subsection (b) and inserting “magistrate judges of the Tax Court”, and

(3) by striking “special trial judge” in subsections (c) and (d) and inserting “magistrate judge of the Tax Court”.
(b) CONFORMING AMENDMENTS.—

(1) The heading of section 7443A is amended by striking “SPECIAL TRIAL JUDGES” and inserting “MAGISTRATE JUDGES OF THE TAX COURT”.

(2) The heading of section 7443A(b) is amended by striking “SPECIAL TRIAL JUDGES” and inserting “MAGISTRATE JUDGES OF THE TAX COURT”.

(3) The item relating to section 7443A in the table of sections for part I of subchapter C of chapter 76 is amended to read as follows:

“Sec. 7443A. Magistrate judges of the Tax Court.”.

(4) The heading of section 7448 is amended by striking “SPECIAL TRIAL JUDGES” and inserting “MAGISTRATE JUDGES OF THE TAX COURT”.

(5) Section 7448 is amended—

(A) by striking “special trial judge’s” each place it appears in subsections (a)(6), (c)(1), (d), and (m)(1) and inserting “magistrate judge of the Tax Court’s”, and

(B) by striking “special trial judge” each place it appears other than in subsection (n) and inserting “magistrate judge of the Tax Court”.

(6) Section 7448(n) is amended—
(A) by striking “special trial judge which are allowable” and inserting “magistrate judge of the Tax Court which are allowable”, and

(B) by striking “special trial judge of the Tax Court” both places it appears and inserting “magistrate judge of the Tax Court”.

(7) The heading of section 7448(b)(2) is amended by striking “SPECIAL TRIAL JUDGES” and inserting “MAGISTRATE JUDGES OF THE TAX COURT”.

(8) The item relating to section 7448 in the table of sections for part I of subchapter C of chapter 76 is amended to read as follows:

“Sec. 7448. Annuities to surviving spouses and dependent children of judges and magistrate judges of the Tax Court.”.

(9) Section 7456(a) is amended—

(A) by striking “special trial judge” each place it appears and inserting “magistrate judge”, and

(B) by striking “(or by the clerk” and inserting “of the Tax Court (or by the clerk”.

(10) Section 7466(a) is amended by striking “special trial judge” and inserting “magistrate judge”.

(11) Section 7470A is amended by striking “special trial judges” both places it appears in sub-
sections (a) and (b) and inserting “magistrate judges”.

(12) Section 7471(a)(2)(A) is amended by striking “special trial judges” and inserting “magistrate judges”.

(13) Section 7471(c) is amended—

(A) by striking “SPECIAL TRIAL JUDGES” in the heading and inserting “MAGISTRATE JUDGES OF THE TAX COURT”, and

(B) by striking “special trial judges” and inserting “magistrate judges”.

SEC. 3304. REPEAL OF DEADWOOD RELATED TO BOARD OF TAX APPEALS.

(a) Section 7459, as amended by this Act, is amended by striking subsection (f) and by redesignating subsections (g) and (h) as subsections (f) and (g), respectively.

(b) Section 7447(a)(3) is amended to read as follows:

“(3) In any determination of length of service as judge or as a judge of the Tax Court of the United States there shall be included all periods (whether or not consecutive) during which an individual served as judge.”.