

115TH CONGRESS
1ST SESSION

H. R. 3511

To amend the Internal Revenue Code of 1986 to establish a free on-line tax preparation and filing service and programs that allow taxpayers to access third-party provided tax return information.

IN THE HOUSE OF REPRESENTATIVES

JULY 27, 2017

Mr. SHERMAN (for himself, Mr. SUOZZI, Mr. RASKIN, Mrs. NAPOLITANO, Ms. NORTON, Mr. BEYER, and Mr. RYAN of Ohio) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to establish a free on-line tax preparation and filing service and programs that allow taxpayers to access third-party provided tax return information.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tax Filing Simplifica-
5 tion Act of 2017”.

1 **SEC. 2. PROHIBITION ON AGREEMENTS RESTRICTING GOV-**
 2 **ERNMENT TAX PREPARATION AND FILING**
 3 **SERVICES.**

4 The Secretary of the Treasury, or the Secretary's del-
 5 egate, may not enter into any agreement after the date
 6 of the enactment of this Act which restricts the Sec-
 7 retary's legal right to provide tax return preparation serv-
 8 ices or software or to provide tax return filing services.

9 **SEC. 3. GOVERNMENT-ASSISTED TAX PREPARATION AND**
 10 **FILING SERVICES.**

11 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
 12 enue Code of 1986 is amended by adding at the end the
 13 following new section:

14 **“SEC. 7529. GOVERNMENT-ASSISTED TAX-RETURN PREPA-**
 15 **RATION PROGRAMS.**

16 “(a) ESTABLISHMENT OF PROGRAMS.—The Sec-
 17 retary shall establish and operate the following programs:

18 “(1) ONLINE TAX PREPARATION AND FILING
 19 SOFTWARE.—Not later than January 31, 2019, soft-
 20 ware for the preparation and filing of individual in-
 21 come tax returns for taxable years beginning after
 22 2017.

23 “(2) TAXPAYER DATA ACCESS.—Not later than
 24 March 1, 2019, a program under which taxpayers
 25 may download third-party provided return informa-

1 tion relating to individual income tax returns for
2 taxable years beginning after 2017.

3 “(3) VOLUNTARY TAX RETURN PREPARA-
4 TION.—Not later than March 1, 2019, a program
5 under which eligible individuals (as defined under
6 subsection (c)(1)) may elect to have income tax re-
7 turns for taxable years beginning after 2017 pre-
8 pared by the Secretary, with an opportunity for the
9 individual to update such returns after preparation.

10 “(4) FACILITATING USE OF FEDERAL RETURNS
11 FOR STATE TAX PURPOSES.—Not later than March
12 1, 2019, for States that provide or seek to provide
13 State-level software or programs similar to software
14 described in paragraph (1) or the program described
15 in paragraph (3), a program under which the Sec-
16 retary—

17 “(A) provides technical assistance, and

18 “(B) discloses Federal income tax return
19 information under section 6103(c) to facilitate
20 the preparation and filing of State income tax
21 returns.

22 “(b) REQUIREMENTS FOR TAXPAYER DATA ACCESS
23 PROGRAM.—

1 “(1) IN GENERAL.—Return information under
2 the program established under subsection (a)(2)
3 shall be made available—

4 “(A) not later than 15 days after the Sec-
5 retary receives such information, and

6 “(B) through a secure function that allows
7 a taxpayer to download such information from
8 the Secretary’s website in both a printable doc-
9 ument file and in a computer-readable form
10 suitable for use by automated tax preparation
11 software.

12 “(2) THIRD-PARTY PROVIDED RETURN INFOR-
13 MATION DEFINED.—For purposes of this section, the
14 term ‘third-party provided return information’
15 means—

16 “(A) information reported to the Secretary
17 through an information return (as defined in
18 section 6724(d)(1)),

19 “(B) information reported to the Secretary
20 pursuant to section 232 of the Social Security
21 Act, and

22 “(C) such other information reported to
23 the Secretary as is determined appropriate by
24 the Secretary for purposes of the program es-
25 tablished under subsection (a)(2).

1 “(c) TAX RETURN PREPARATION.—

2 “(1) ELIGIBLE INDIVIDUAL.—For purposes of
3 the program established under subsection (a)(3)—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraphs (B) and (C), the term ‘eligible
6 individual’ means, with respect to any taxable
7 year, any individual who—

8 “(i) elects to participate in the pro-
9 gram established under subsection (a)(3),

10 “(ii) is an unmarried individual (other
11 than a surviving spouse (as defined in sec-
12 tion 2(a)) or the head of a household (as
13 defined in section 2(b))),

14 “(iii) does not claim any deduction al-
15 lowed under section 62 for purposes of de-
16 termining adjusted gross income,

17 “(iv) claims the standard deduction
18 under section 63,

19 “(v) claims no deduction under sec-
20 tion 151 for any individual who is a de-
21 pendent (as defined in section 152),

22 “(vi) does not file schedule C, and

23 “(vii) has no income other than in-
24 come from—

1 “(I) wages (as defined in section
2 3401),

3 “(II) interest, or

4 “(III) dividends.

5 “(B) LIMITATION ON ELIGIBILITY FOR
6 TAX YEAR 2018.—With respect to any taxable
7 year beginning in 2018, the term ‘eligible indi-
8 vidual’ shall only include such populations of in-
9 dividuals described in subparagraph (A) as is
10 determined by the Secretary.

11 “(C) EXPANSION OF ELIGIBILITY AFTER
12 TAX YEAR 2018.—

13 “(i) IN GENERAL.—At the discretion
14 of the Secretary, with respect to any tax-
15 able year beginning after December 31,
16 2018, the term ‘eligible individual’ may in-
17 clude populations of individuals who would
18 not otherwise satisfy the requirements es-
19 tablished under subparagraph (A), such as
20 married individuals, heads of households,
21 taxpayers who are eligible to claim the
22 earned income tax credit under section 32
23 and have dependents, taxpayers who are el-
24 igible to claim the child tax credit under
25 section 24, taxpayers who claim deductions

1 allowed under section 62 for purposes of
2 determining adjusted gross income, and
3 taxpayers with income from non-employee
4 compensation.

5 “(ii) REPORT.—Not later than August
6 31, 2020, the Secretary shall submit a re-
7 port to Congress that contains recommen-
8 dations for such legislative or administra-
9 tive actions as the Secretary determines
10 necessary with respect to expanding the
11 populations of individuals that may qualify
12 as eligible individuals for purposes of the
13 program established under subsection
14 (a)(3).

15 “(2) RETURN MUST BE FILED BY INDIVIDUAL.—No return prepared under the program es-
16 tablished under subsection (a)(3) shall be treated as
17 filed before the date such return is submitted by the
18 taxpayer as provided under the rules of section
19 6011.
20 6011.

21 “(d) VERIFICATION OF IDENTITY.—An individual
22 shall not participate in any program described in sub-
23 section (a) or access any information under such a pro-
24 gram unless such individual has verified their identity to
25 the satisfaction of the Secretary.

1 “(e) TAXPAYER RESPONSIBILITY.—Nothing in this
2 section shall be construed to absolve the taxpayer from
3 full responsibility for the accuracy or completeness of his
4 return of tax.

5 “(f) PROHIBITION ON FEES.—No fee may be im-
6 posed on any taxpayer who participates in any program
7 established under subsection (a).

8 “(g) INFORMATION PROVIDED FOR WAGE AND SELF-
9 EMPLOYMENT INCOME.—For purposes of subsection
10 (a)(2), in the case of information relating to wages paid
11 for any calendar year after 2017 required to be provided
12 to the Commissioner of Social Security under section
13 205(c)(2)(A) of the Social Security Act (42 U.S.C.
14 405(c)(2)(A)), the Commissioner shall make such infor-
15 mation available to the Secretary not later than the Feb-
16 ruary 15 of the calendar year following the calendar year
17 to which such wages and self-employment income relate.”.

18 (b) FILING DEADLINE FOR INFORMATION RE-
19 TURNS.—Section 6071(b) of such Code is amended to
20 read as follows:

21 “(b) INFORMATION RETURNS.—Returns made under
22 part III of this chapter shall be filed on or before January
23 31 of the year following the calendar year to which such
24 returns relate. Section 6081 shall not apply to returns
25 under such part III.”.

1 (c) CONFORMING AMENDMENT TO SOCIAL SECURITY
 2 ACT.—Section 205(c)(2)(A) of the Social Security Act (42
 3 U.S.C. 405(c)(2)(A)) is amended by adding at the end the
 4 following new sentence: “For purposes of the preceding
 5 sentence, the Commissioner shall require that information
 6 relating to wages paid be provided to the Secretary of the
 7 Treasury not later than February 15 of the year following
 8 the calendar year to which such wages and self-employ-
 9 ment income relate.”.

10 (d) CLERICAL AMENDMENT.—The table of sections
 11 for chapter 77 of such Code is amended by adding at the
 12 end the following new item:

“Sec. 7529. Government-assisted tax-return preparation programs.”.

13 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
 14 authorized to be appropriated to carry out the amend-
 15 ments made by this section such sums as may be necessary
 16 for each of fiscal years 2018 through 2022.

17 (f) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to returns for taxable years begin-
 19 ning after December 31, 2017.

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