

115TH CONGRESS
2D SESSION

H. R. 5445

To amend the Internal Revenue Code of 1986 to improve cybersecurity and taxpayer identity protection, and modernize the information technology of the Internal Revenue Service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2018

Mr. BISHOP of Michigan (for himself and Ms. DELBENE) 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 improve cybersecurity and taxpayer identity protection, and modernize the information technology of the Internal Revenue Service, and for other purposes.

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; ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “21st Century IRS Act”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment or repeal is expressed in terms of an amendment

1 to, or repeal of, a section or other provision, the reference
 2 shall be considered to be made to a section or other provi-
 3 sion of the Internal Revenue Code of 1986.

4 (c) TABLE OF CONTENTS.—The table of contents of
 5 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—CYBERSECURITY AND IDENTITY PROTECTION

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

TITLE II—DEVELOPMENT OF INFORMATION TECHNOLOGY

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

TITLE III—MODERNIZATION OF CONSENT-BASED INCOME VERIFICATION SYSTEM

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

TITLE IV—EXPANDED USE OF ELECTRONIC SYSTEMS

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

6 **TITLE I—CYBERSECURITY AND** 7 **IDENTITY PROTECTION**

8 **SEC. 101. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS** 9 **IDENTITY THEFT REFUND FRAUD.**

10 The Secretary of the Treasury (or the Secretary's
 11 delegate) shall work collaboratively with the public and

1 private sectors to protect taxpayers from identity theft re-
2 fund fraud.

3 **SEC. 102. RECOMMENDATIONS OF ELECTRONIC TAX AD-**
4 **MINISTRATION ADVISORY COMMITTEE RE-**
5 **GARDING IDENTITY THEFT REFUND FRAUD.**

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

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

15 (a) IN GENERAL.—The Secretary of the Treasury (or
16 the Secretary’s delegate) may participate in an informa-
17 tion sharing and analysis center to centralize, standardize,
18 and enhance data compilation and analysis to facilitate
19 sharing actionable data and information with respect to
20 identity theft tax refund fraud.

21 (b) DEVELOPMENT OF PERFORMANCE METRICS.—

22 The Secretary of the Treasury (or the Secretary’s dele-
23 gate) shall develop metrics for measuring the success of
24 such center in detecting and preventing identity theft tax
25 refund fraud.

1 (c) DISCLOSURE.—

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

4 “(13) DISCLOSURE OF RETURN INFORMATION
5 FOR PURPOSES OF CYBERSECURITY AND THE PRE-
6 VENTION OF IDENTITY THEFT TAX REFUND
7 FRAUD.—

8 “(A) IN GENERAL.—Under such proce-
9 dures and subject to such conditions as the Sec-
10 retary may prescribe, the Secretary may dis-
11 close specified return information to specified
12 ISAC participants to the extent that the Sec-
13 retary determines such disclosure is in further-
14 ance of effective Federal tax administration re-
15 lating to the detection or prevention of identity
16 theft tax refund fraud, validation of taxpayer
17 identity, authentication of taxpayer returns, or
18 detection or prevention of cybersecurity threats.

19 “(B) SPECIFIED ISAC PARTICIPANTS.—For
20 purposes of this paragraph—

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

23 “(I) any person designated by
24 the Secretary as having primary re-
25 sponsibility for a function performed

1 with respect to the information shar-
2 ing and analysis center described in
3 section 403(a) of the 21st Century
4 IRS Act, and

5 “(II) any person subject to the
6 requirements of section 7216 and
7 which is a participant in such infor-
8 mation sharing and analysis center.

9 “(ii) INFORMATION SHARING AGREE-
10 MENT.—Such term shall not include any
11 person unless such person has entered into
12 a written agreement with the Secretary
13 setting forth the terms and conditions for
14 the disclosure of information to such per-
15 son under this paragraph, including re-
16 quirements regarding the protection and
17 safeguarding of such information by such
18 person.

19 “(C) SPECIFIED RETURN INFORMATION.—
20 For purposes of this paragraph, the term ‘spec-
21 ified return information’ means—

22 “(i) in the case of a return which is
23 in connection with a case of potential iden-
24 tity theft refund fraud—

1 “(I) in the case of such return
2 filed electronically, the internet pro-
3 tocol address, device identification,
4 email domain name, speed of comple-
5 tion, method of authentication, refund
6 method, and such other return infor-
7 mation related to the electronic filing
8 characteristics of such return as the
9 Secretary may identify for purposes of
10 this subclause, and

11 “(II) in the case of such return
12 prepared by a tax return preparer,
13 identifying information with respect to
14 such tax return preparer, including
15 the preparer taxpayer identification
16 number and electronic filer identifica-
17 tion number of such preparer,

18 “(ii) in the case of a return which is
19 in connection with a case of a identity
20 theft refund fraud which has been con-
21 firmed by the Secretary (pursuant to such
22 procedures as the Secretary may provide),
23 the information referred to in subclauses
24 (I) and (II) of clause (i), the name and
25 taxpayer identification number of the tax-

1 payer as it appears on the return, and any
2 bank account and routing information pro-
3 vided for making a refund in connection
4 with such return, and

5 “(iii) in the case of any cybersecurity
6 threat to the Internal Revenue Service, in-
7 formation similar to the information de-
8 scribed in subclauses (I) and (II) of clause
9 (i) with respect to such threat.

10 “(D) RESTRICTION ON USE OF DISCLOSED
11 INFORMATION.—

12 “(i) DESIGNATED THIRD PARTIES.—
13 Any return information received by a per-
14 son described in subparagraph (B)(i)(I)
15 shall be used only for the purposes of and
16 to the extent necessary in—

17 “(I) performing the function such
18 person is designated to perform under
19 such subparagraph,

20 “(II) facilitating disclosures au-
21 thorized under subparagraph (A) to
22 persons described in subparagraph
23 (B)(i)(II), and

24 “(III) facilitating disclosures au-
25 thorized under subsection (d) to par-

1 ticipants in such information sharing
2 and analysis center.

3 “(ii) RETURN PREPARERS.—Any re-
4 turn information received by a person de-
5 scribed in subparagraph (B)(i)(II) shall be
6 treated for purposes of section 7216 as in-
7 formation furnished to such person for, or
8 in connection with, the preparation of a re-
9 turn of the tax imposed under chapter 1.

10 “(E) DATA PROTECTION AND SAFE-
11 GUARDS.—Return information disclosed under
12 this paragraph shall be subject to such protec-
13 tions and safeguards as the Secretary may re-
14 quire in regulations or other guidance or in the
15 written agreement referred to in subparagraph
16 (B)(ii). Such written agreement shall include a
17 requirement that any unauthorized access to in-
18 formation disclosed under this paragraph, and
19 any breach of any system in which such infor-
20 mation is held, be reported to the Treasury In-
21 specter General for Tax Administration.”.

22 (2) APPLICATION OF CIVIL AND CRIMINAL PEN-
23 ALTIES.—

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

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

6 **SEC. 104. COMPLIANCE BY CONTRACTORS WITH CONFIDEN-**
7 **TIALITY SAFEGUARDS.**

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

10 “(9) DISCLOSURE TO CONTRACTORS AND
11 OTHER AGENTS.—Notwithstanding any other provi-
12 sion of this section, no return or return information
13 shall be disclosed to any contractor or other agent
14 of a Federal, State, or local agency unless such
15 agency, to the satisfaction of the Secretary—

16 “(A) has requirements in effect which re-
17 quire each such contractor or other agent which
18 would have access to returns or return informa-
19 tion to provide safeguards (within the meaning
20 of paragraph (4)) to protect the confidentiality
21 of such returns or return information,

22 “(B) agrees to conduct an on-site review
23 every 3 years (or a mid-point review in the case
24 of contracts or agreements of less than 3 years
25 in duration) of each contractor or other agent

1 to determine compliance with such require-
2 ments,

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

7 “(D) certifies to the Secretary for the most
8 recent annual period that such contractor or
9 other agent is in compliance with all such re-
10 quirements.

11 The certification required by subparagraph (D) shall
12 include the name and address of each contractor and
13 other agent, a description of the contract or agree-
14 ment with such contractor or other agent, and the
15 duration of such contract or agreement. The require-
16 ments of this paragraph shall not apply to disclo-
17 sures pursuant to subsection (n) for purposes of
18 Federal tax administration.”.

19 (b) CONFORMING AMENDMENT.—Section
20 6103(p)(8)(B) is amended by inserting “or paragraph
21 (9)” after “subparagraph (A)”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this subsection shall apply to disclosures made after De-
24 cember 31, 2022.

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

2 Not later than 2 years after the date of the enact-
3 ment of this Act, the Secretary (or the Secretary's dele-
4 gate), in coordination with the Bureau of Fiscal Service
5 and the Internal Revenue Service, and in consultation with
6 private sector financial institutions, shall submit a written
7 report to Congress describing how the government can uti-
8 lize new payment platforms to increase the number of tax
9 refunds paid by electronic funds transfer. Such report
10 shall weigh the interests of reducing identity theft tax re-
11 fund fraud, reducing the Federal Government's costs in
12 delivering tax refunds, the costs and any associated fees
13 charged to taxpayers (including monthly and point-of-serv-
14 ice fees) to access their tax refunds, the impact on individ-
15 uals who do not have access to financial accounts or insti-
16 tutions, and ensuring payments are made to accounts at
17 a financial institution that complies with section 21 of the
18 Federal Deposit Insurance Act, chapter 2 of title I of Pub-
19 lic Law 91-508, and subchapter II of chapter 53 of title
20 31, United States Code (commonly referred to collectively
21 as the "Bank Secrecy Act") and the USA PATRIOT Act.
22 Such report shall include any legislative recommendations
23 necessary to accomplish these goals.

1 **TITLE II—DEVELOPMENT OF**
2 **INFORMATION TECHNOLOGY**

3 **SEC. 201. MANAGEMENT OF INTERNAL REVENUE SERVICE**
4 **INFORMATION TECHNOLOGY.**

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

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

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

17 “(2) CENTRALIZED RESPONSIBILITY FOR IN-
18 TERNAL REVENUE SERVICE INFORMATION TECH-
19 NOLOGY.—The Administrator of the Internal Rev-
20 enue Service (and the Secretary) shall act through
21 the IRS CIO with respect to all development, imple-
22 mentation, and maintenance of information tech-
23 nology for the Internal Revenue Service. Any ref-
24 erence in this subsection to the IRS CIO which di-
25 rects the IRS CIO to take any action, or to assume

1 any responsibility, shall be treated as a reference to
2 the Administrator of the Internal Revenue Service
3 acting through the IRS CIO.

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

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

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

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

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

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

1 “(i) the goals and requirements speci-
2 fied in subparagraphs (A) through (D),
3 and

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

6 “(4) STRATEGIC PLAN.—

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

11 “(i) include performance measure-
12 ments of such technology and of the imple-
13 mentation of such plan,

14 “(ii) include a plan for an integrated
15 enterprise architecture of the information
16 technology of the Internal Revenue Service,

17 “(iii) include and take into account
18 the resources needed to accomplish such
19 plan,

20 “(iv) take into account planned major
21 acquisitions of information technology by
22 the Internal Revenue Service, including
23 Customer Account Data Engine 2 and the
24 Enterprise Case Management System, and

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

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

11 “(5) SCOPE OF AUTHORITY.—

12 “(A) INFORMATION TECHNOLOGY.—For
13 purposes of this subsection, the term ‘informa-
14 tion technology’ has the meaning given such
15 term by section 11101 of title 40, United States
16 Code.

17 “(B) INTERNAL REVENUE SERVICE.—Any
18 reference in this subsection to the Internal Rev-
19 enue Service includes a reference to all compo-
20 nents of the Internal Revenue Service, includ-
21 ing—

22 “(i) the Office of the Taxpayer Advoca-
23 cate,

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

1 “(iii) except as otherwise provided by
2 the Secretary with respect to information
3 technology related to matters described in
4 subsection (b)(3)(B), the Office of the
5 Chief Counsel.”.

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

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

17 (2) DEADLINE FOR COMPLETION.—Such con-
18 tract shall require that such verification and valida-
19 tion be completed not later than the date which is
20 1 year after the date of the enactment of this Act.

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

22 (A) IN GENERAL.—Paragraphs (1) and (2)
23 shall not apply to phase 1 of the Customer Ac-
24 count Data Engine 2 and shall apply separately
25 to each other phase.

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

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

14 (c) COORDINATION OF IRS CIO AND CHIEF PRO-
 15 CUREMENT OFFICER OF THE INTERNAL REVENUE SERV-
 16 ICE.—

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

19 (A) identify all significant IRS information
 20 technology acquisitions and provide written no-
 21 tification to the Internal Revenue Service Chief
 22 Information Officer (hereafter referred to in
 23 this subsection as the “IRS CIO”) of each such
 24 acquisition in advance of such acquisition, and

1 (B) regularly consult with the IRS CIO re-
2 garding acquisitions of information technology
3 for the Internal Revenue Service, including
4 meeting with the IRS CIO regarding such ac-
5 quisitions upon request.

6 (2) SIGNIFICANT IRS INFORMATION TECH-
7 NOLOGY ACQUISITIONS.—For purposes of this sub-
8 section, the term “significant IRS information tech-
9 nology acquisitions” means—

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

13 (B) such other acquisitions of information
14 technology for the Internal Revenue Service (or
15 categories of such acquisitions) as the IRS CIO,
16 in consultation with the Chief Procurement Of-
17 ficer of the Internal Revenue Service, may iden-
18 tify.

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

1 **SEC. 202. DEVELOPMENT OF ONLINE ACCOUNTS AND POR-**
2 **TALS.**

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

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

12 (2) develop a process for the acceptance of tax
13 forms, and supporting documentation, in digital or
14 other electronic format.

15 (b) ELECTRONIC SERVICES TREATED AS SUPPLE-
16 MENTAL; APPLICATION OF SECURITY STANDARDS.—The
17 Secretary shall ensure that the processes described in sub-
18 section (a)—

19 (1) are a supplement to, and not a replacement
20 for, other services provided by the Internal Revenue
21 Service to taxpayers, including face-to-face taxpayer
22 assistance and services provided by phone, and

23 (2) comply with applicable security standards
24 and guidelines.

25 (c) PROCESS FOR DEVELOPING ONLINE AC-
26 COUNTS.—

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

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

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

15 (a) IN GENERAL.—Not later than January 1, 2023,
16 the Secretary of the Treasury or the Secretary’s delegate
17 (hereafter referred to in this section as the “Secretary”)
18 shall make available an Internet website or other elec-
19 tronic media, with a user interface and functionality simi-
20 lar to the Business Services Online Suite of Services pro-
21 vided by the Social Security Administration, that will pro-
22 vide access to resources and guidance provided by the In-
23 ternal Revenue Service and will allow persons to—

24 (1) prepare and file Forms 1099,

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

4 (3) maintain a record of completed and sub-
 5 mitted Forms 1099.

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

10 (1) are a supplement to, and not a replacement
 11 for, other services provided by the Internal Revenue
 12 Service to taxpayers, and

13 (2) comply with applicable security standards
 14 and guidelines.

15 **TITLE III—MODERNIZATION OF**
 16 **CONSENT-BASED INCOME**
 17 **VERIFICATION SYSTEM**

18 **SEC. 301. DISCLOSURE OF TAXPAYER INFORMATION FOR**
 19 **THIRD-PARTY INCOME VERIFICATION.**

20 (a) IN GENERAL.—Not later than 1 year after the
 21 close of the 2-year period described in subsection (d)(1),
 22 the Secretary of the Treasury or the Secretary’s delegate
 23 (hereafter referred to in this section as the “Secretary”)
 24 shall implement a program to ensure that any qualified
 25 disclosure—

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

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

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

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

16 (d) USER FEE.—

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

1 described in subsection (a), including the costs of
 2 any necessary infrastructure or technology.

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

11 **SEC. 302. LIMIT REDISCLOSURES AND USES OF CONSENT-**
 12 **BASED DISCLOSURES OF TAX RETURN INFOR-**
 13 **MATION.**

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

22 (b) APPLICATION OF PENALTIES.—Section
 23 6103(a)(3) is amended by inserting “subsection (c),” after
 24 “return information under”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to disclosures made after the date
 3 of the enactment of this Act.

4 **TITLE IV—EXPANDED USE OF** 5 **ELECTRONIC SYSTEMS**

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

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

10 (b) APPLICABLE NUMBER.—Section 6011(e) is
 11 amended by adding at the end the following new para-
 12 graph:

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

16 “(A) in the case of calendar years before
 17 2020, 250,

18 “(B) in the case of calendar year 2020,
 19 100, and

20 “(C) in the case of calendar years after
 21 2020, 10.”.

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

1 “(D) EXCEPTION FOR CERTAIN PREPARES
 2 LOCATED IN AREAS WITHOUT INTERNET AC-
 3 CESS.—The Secretary may waive the require-
 4 ment of subparagraph (A) if the Secretary de-
 5 termines, on the basis of an application by the
 6 tax return preparer, that the preparer cannot
 7 meet such requirement by reason of being lo-
 8 cated in a geographic area which does not have
 9 access to internet service (other than dial-up or
 10 satellite service).”.

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

14 **SEC. 402. UNIFORM STANDARDS FOR THE USE OF ELEC-**
 15 **TRONIC SIGNATURES FOR DISCLOSURE AU-**
 16 **THORIZATIONS TO, AND OTHER AUTHORIZA-**
 17 **TIONS OF, PRACTITIONERS.**

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

19 “(3) PUBLISHED GUIDANCE.—

20 “(A) IN GENERAL.—The Secretary shall
 21 publish guidance as appropriate to define and
 22 implement any waiver of the signature require-
 23 ments or any method adopted under paragraph
 24 (1).

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

“(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. 403. PAYMENT OF TAXES BY DEBIT AND CREDIT
 CARDS.**

(a) IN GENERAL.—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

1 by persons paying taxes imposed under subtitle A with
2 credit, debit, or charge cards pursuant to such contract.
3 Notwithstanding the preceding sentence, the Secretary
4 shall seek to minimize the amount of any fee or other con-
5 sideration that the Secretary pays under any such con-
6 tract.”.

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