

115TH CONGRESS  
2D SESSION

# H. R. 7227

To amend the Internal Revenue Code of 1986 to modernize and improve  
the Internal Revenue Service, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2018

Ms. JENKINS of Kansas (for herself and Mr. LEWIS of Georgia) introduced  
the following bill; which was referred to the Committee on Ways and  
Means, and in addition to the Committee on Financial Services, for a pe-  
riod to be subsequently determined by the Speaker, in each case for con-  
sideration of such provisions as fall within the jurisdiction of the com-  
mittee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to modernize  
and improve 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 “Taxpayer First Act of 2018”.

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 for  
 5 this Act is as follows:

Sec. 1. Short title; etc.

#### TITLE I—PUTTING TAXPAYERS FIRST

##### Subtitle A—Independent Appeals Process

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

##### Subtitle B—Improved Service

Sec. 1101. Comprehensive customer service strategy.

Sec. 1102. IRS Free File Program.

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

##### Subtitle C—Sensible Enforcement

Sec. 1201. Internal Revenue Service seizure requirements with respect to structuring transactions.

Sec. 1202. Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.

Sec. 1203. Clarification of equitable relief from joint liability.

Sec. 1204. Modification of procedures for issuance of third-party summons.

Sec. 1205. Private debt collection and special compliance personnel program.

Sec. 1206. Reform of notice of contact of third parties.

Sec. 1207. Modification of authority to issue designated summons.

Sec. 1208. Limitation on access of non-Internal Revenue Service employees to returns and return information.

##### Subtitle D—Organizational Modernization

Sec. 1301. Office of the National Taxpayer Advocate.

Sec. 1302. Modernization of Internal Revenue Service organizational structure.

##### Subtitle E—Other Provisions

Sec. 1401. Return preparation programs for applicable taxpayers.

Sec. 1402. Provision of information regarding low-income taxpayer clinics.

Sec. 1403. Notice from IRS regarding closure of taxpayer assistance centers.

Sec. 1404. Rules for seizure and sale of perishable goods restricted to only perishable goods.

Sec. 1405. Whistleblower reforms.

Sec. 1406. Customer service information.

Sec. 1407. Misdirected tax refund deposits.

#### TITLE II—21ST CENTURY IRS

#### Subtitle A—Cybersecurity and Identity Protection

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

#### Subtitle B—Development of Information Technology

- Sec. 2101. Management of Internal Revenue Service information technology.
- Sec. 2102. 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 redisclosures and uses of consent-based disclosures of tax return information.

#### Subtitle D—Expanded Use of Electronic Systems

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

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

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

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

9             “(e) INDEPENDENT OFFICE OF APPEALS.—

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

14                 “(2) CHIEF OF APPEALS.—

15                     “(A) IN GENERAL.—The Internal Revenue  
16     Service Independent Office of Appeals shall be  
17     under the supervision and direction of an offi-  
18     cial to be known as the ‘Chief of Appeals’. The  
19     Chief of Appeals shall report directly to the  
20     Commissioner of the Internal Revenue Service

1 and shall be entitled to compensation at the  
2 same rate as the highest rate of basic pay es-  
3 tablished for the Senior Executive Service under  
4 section 5382 of title 5, United States Code.

5 “(B) APPOINTMENT.—The Chief of Ap-  
6 peals shall be appointed by the Commissioner of  
7 the Internal Revenue Service without regard to  
8 the provisions of title 5, United States Code, re-  
9 lating to appointments in the competitive serv-  
10 ice or the Senior Executive Service.

11 “(C) QUALIFICATIONS.—An individual ap-  
12 pointed under subparagraph (B) shall have ex-  
13 perience and expertise in—

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

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

18 “(iii) management of large service or-  
19 ganizations.

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

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

1 “(B) promotes a consistent application and  
2 interpretation of, and voluntary compliance  
3 with, the Federal tax laws, and

4 “(C) enhances public confidence in the in-  
5 tegrity and efficiency of the Internal Revenue  
6 Service.

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

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

13 “(A) IN GENERAL.—If any taxpayer which  
14 is in receipt of a notice of deficiency authorized  
15 under section 6212 requests referral to the In-  
16 ternal Revenue Service Independent Office of  
17 Appeals and such request is denied, the Com-  
18 missioner of the Internal Revenue Service shall  
19 provide such taxpayer a written notice which—

20 “(i) provides a detailed description of  
21 the facts involved, the basis for the deci-  
22 sion to deny the request, and a detailed ex-  
23 planation of how the basis of such decision  
24 applies to such facts, and

1 “(ii) describes the procedures pre-  
2 scribed under subparagraph (C) for pro-  
3 testing the decision to deny the request.

4 “(B) REPORT TO CONGRESS.—The Com-  
5 missioner of the Internal Revenue Service shall  
6 submit a written report to Congress on an an-  
7 nual basis which includes the number of re-  
8 quests described in subparagraph (A) which  
9 were denied and the reasons (described by cat-  
10 egory) that such requests were denied.

11 “(C) PROCEDURES FOR PROTESTING DE-  
12 NIAL OF REQUEST.—The Commissioner of the  
13 Internal Revenue Service shall prescribe proce-  
14 dures for protesting to the Commissioner of the  
15 Internal Revenue Service a denial of a request  
16 described in subparagraph (A).

17 “(D) NOT APPLICABLE TO FRIVOLOUS PO-  
18 SITIONS.—This paragraph shall not apply to a  
19 request for referral to the Internal Revenue  
20 Service Independent Office of Appeals which is  
21 denied on the basis that the issue involved is a  
22 frivolous position (within the meaning of section  
23 6702(c)).

24 “(6) STAFF.—

1           “(A) IN GENERAL.—All personnel in the  
2 Internal Revenue Service Independent Office of  
3 Appeals shall report to the Chief of Appeals.

4           “(B) ACCESS TO STAFF OF OFFICE OF  
5 THE CHIEF COUNSEL.—The Chief of Appeals  
6 shall have authority to obtain legal assistance  
7 and advice from the staff of the Office of the  
8 Chief Counsel. The Chief Counsel shall ensure  
9 that such assistance and advice is provided by  
10 staff of the Office of the Chief Counsel who  
11 were not involved in the case with respect to  
12 which such assistance and advice is sought and  
13 who are not involved in preparing such case for  
14 litigation.

15          “(7) ACCESS TO CASE FILES.—

16           “(A) IN GENERAL.—In any case in which  
17 a conference with the Internal Revenue Service  
18 Independent Office of Appeals has been sched-  
19 uled upon request of a specified taxpayer, the  
20 Chief of Appeals shall ensure that such tax-  
21 payer is provided access to the nonprivileged  
22 portions of the case file on record regarding the  
23 disputed issues (other than documents provided  
24 by the taxpayer to the Internal Revenue Serv-

ice) not later than 10 days before the date of such conference.

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

“(C) SPECIFIED TAXPAYER.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘specified 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 receipts 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           (1) The following provisions are each amended  
 2       by striking “Internal Revenue Service Office of Ap-  
 3       peals” and inserting “Internal Revenue Service  
 4       Independent Office of Appeals”:

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

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

7                   (C) Subsections (b)(1) and (d)(3) of sec-  
 8       tion 6330.

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

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

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

12                  (G) Subsections (a), (b)(1), (b)(2), and  
 13       (c)(1) of section 7123.

14                  (H) Subsections (c)(7)(B)(i), and (g)(2)(A)  
 15       of section 7430.

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

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

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

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

24       (c) OTHER REFERENCES.—Any reference in any pro-  
 25       vision of law, or regulation or other guidance, to the Inter-

1   nal Revenue Service Office of Appeals shall be treated as  
 2   a reference to the Internal Revenue Service Independent  
 3   Office of Appeals.

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

9       (e) EFFECTIVE DATE.—

10           (1) IN GENERAL.—Except as otherwise pro-  
 11   vided in this subsection, the amendments made by  
 12   this section shall take effect on the date of the en-  
 13   actment of this Act.

14           (2) ACCESS TO CASE FILES.—Section  
 15   7803(e)(7) of the Internal Revenue Code of 1986, as  
 16   added by subsection (a), shall apply to conferences  
 17   occurring after the date which is 1 year after the  
 18   date of the enactment of this Act.

## 19       **Subtitle B—Improved Service**

### 20   **SEC. 1101. COMPREHENSIVE CUSTOMER SERVICE STRAT-** 21       **EGY.**

22           (a) IN GENERAL.—Not later than the date which is  
 23   1 year after the date of the enactment of this Act, the  
 24   Secretary of the Treasury shall submit to Congress a writ-

1 ten comprehensive customer service strategy for the Inter-  
2 nal Revenue Service. Such strategy shall include—

3 (1) a plan to provide assistance to taxpayers  
4 that is secure, designed to meet reasonable taxpayer  
5 expectations, and adopts appropriate best practices  
6 of customer service provided in the private sector,  
7 including online services, telephone call back serv-  
8 ices, and training of employees providing customer  
9 services;

10 (2) a thorough assessment of the services that  
11 the Internal Revenue Service can co-locate with  
12 other Federal services or offer as self-service op-  
13 tions;

14 (3) proposals to improve Internal Revenue Serv-  
15 ice customer service in the short term (the current  
16 and following fiscal year), medium term (approx-  
17 imately 3 to 5 fiscal years), and long term (approx-  
18 imately 10 fiscal years);

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

23 (5) identified metrics and benchmarks for quan-  
24 titatively measuring the progress of the Internal  
25 Revenue Service in implementing such strategy.

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

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

13 (a) IN GENERAL.—

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

21 (2) The IRS Free File Program shall continue  
22 to provide free commercial-type online individual in-  
23 come tax preparation and electronic filing services to  
24 the lowest 70 percent of taxpayers by adjusted gross  
25 income. The number of taxpayers eligible to receive

1 such services each year shall be calculated by the In-  
2 ternal Revenue Service annually based on prior year  
3 aggregate taxpayer adjusted gross income data.

4 (3) In addition to the services described in  
5 paragraph (2), and in the same manner, the IRS  
6 Free File Program shall continue to make available  
7 to all taxpayers (without regard to income) a basic,  
8 online electronic fillable forms utility.

9 (4) The IRS Free File Program shall continue  
10 to work cooperatively with the private sector to pro-  
11 vide the free individual income tax preparation and  
12 the electronic filing services described in paragraphs  
13 (2) and (3).

14 (5) The IRS Free File Program shall work co-  
15 operatively with State government agencies to en-  
16 hance and expand the use of the program to provide  
17 needed benefits to the taxpayer while reducing the  
18 cost of processing returns.

19 (b) INNOVATIONS.—The Secretary of the Treasury,  
20 or the Secretary's delegate, shall work with the private  
21 sector through the IRS Free File Program to identify and  
22 implement, consistent with applicable law, innovative new  
23 program features to improve and simplify the taxpayer's  
24 experience with completing and filing individual income  
25 tax returns through voluntary compliance.

1 **SEC. 1103. LOW-INCOME EXCEPTION FOR PAYMENTS OTH-**  
 2 **ERWISE REQUIRED IN CONNECTION WITH A**  
 3 **SUBMISSION OF AN OFFER-IN-COMPROMISE.**

4 (a) IN GENERAL.—Section 7122(c) is amended by  
 5 adding at the end the following new paragraph:

6 “(3) EXCEPTION FOR LOW-INCOME TAX-  
 7 PAYERS.—Paragraph (1), and any user fee otherwise  
 8 required in connection with the submission of an  
 9 offer-in-compromise, shall not apply to any offer-in-  
 10 compromise with respect to a taxpayer who is an in-  
 11 dividual with adjusted gross income, as determined  
 12 for the most recent taxable year for which such in-  
 13 formation is available, which does not exceed 250  
 14 percent of the applicable poverty level (as deter-  
 15 mined by the Secretary).”.

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

19 **Subtitle C—Sensible Enforcement**

20 **SEC. 1201. INTERNAL REVENUE SERVICE SEIZURE RE-**  
 21 **QUIREMENTS WITH RESPECT TO STRUC-**  
 22 **TURING TRANSACTIONS.**

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

25 (1) by striking “Any property” and inserting  
 26 the following:

1 “(A) IN GENERAL.—Any property”; and  
2 (2) by adding at the end the following:

3 “(B) INTERNAL REVENUE SERVICE SEI-  
4 ZURE REQUIREMENTS WITH RESPECT TO  
5 STRUCTURING TRANSACTIONS.—

6 “(i) PROPERTY DERIVED FROM AN IL-  
7 LEGAL SOURCE.—Property may only be  
8 seized by the Internal Revenue Service  
9 pursuant to subparagraph (A) by reason of  
10 a claimed violation of section 5324 if the  
11 property to be seized was derived from an  
12 illegal source or the funds were structured  
13 for the purpose of concealing the violation  
14 of a criminal law or regulation other than  
15 section 5324.

16 “(ii) NOTICE.—Not later than 30  
17 days after property is seized by the Inter-  
18 nal Revenue Service pursuant to subpara-  
19 graph (A), the Internal Revenue Service  
20 shall—

21 “(I) make a good faith effort to  
22 find all persons with an ownership in-  
23 terest in such property; and

24 “(II) provide each such person so  
25 found with a notice of the seizure and

1 of the person's rights under clause  
2 (iv).

3 “(iii) EXTENSION OF NOTICE UNDER  
4 CERTAIN CIRCUMSTANCES.—The Internal  
5 Revenue Service may apply to a court of  
6 competent jurisdiction for one 30-day ex-  
7 tension of the notice requirement under  
8 clause (ii) if the Internal Revenue Service  
9 can establish probable cause of an immi-  
10 nent threat to national security or personal  
11 safety necessitating such extension.

12 “(iv) POST-SEIZURE HEARING.—If a  
13 person with an ownership interest in prop-  
14 erty seized pursuant to subparagraph (A)  
15 by the Internal Revenue Service requests a  
16 hearing by a court of competent jurisdic-  
17 tion within 30 days after the date on which  
18 notice is provided under subclause (ii),  
19 such property shall be returned unless the  
20 court holds an adversarial hearing and  
21 finds within 30 days of such request (or  
22 such longer period as the court may pro-  
23 vide, but only on request of an interested  
24 party) that there is probable cause to be-  
25 lieve that there is a violation of section

1           5324 involving such property and probable  
 2           cause to believe that the property to be  
 3           seized was derived from an illegal source or  
 4           the funds were structured for the purpose  
 5           of concealing the violation of a criminal  
 6           law or regulation other than section  
 7           5324.”.

8   **SEC. 1202. EXCLUSION OF INTEREST RECEIVED IN ACTION**  
 9                   **TO RECOVER PROPERTY SEIZED BY THE IN-**  
 10                   **TERNAL REVENUE SERVICE BASED ON**  
 11                   **STRUCTURING TRANSACTION.**

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

15   **“SEC. 139H. INTEREST RECEIVED IN ACTION TO RECOVER**  
 16                   **PROPERTY SEIZED BY THE INTERNAL REV-**  
 17                   **ENUE SERVICE BASED ON STRUCTURING**  
 18                   **TRANSACTION.**

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

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

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

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

8 **SEC. 1203. CLARIFICATION OF EQUITABLE RELIEF FROM**  
 9 **JOINT LIABILITY.**

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

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

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

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

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

21 (2) by amending subsection (f) to read as fol-  
 22 lows:

23 “(f) EQUITABLE RELIEF.—

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

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

7           “(B) relief is not available to such indi-  
8       vidual under subsection (b) or (c),  
9       the Secretary may relieve such individual of such li-  
10      ability.

11          “(2) LIMITATION.—A request for equitable re-  
12      lief under this subsection may be made with respect  
13      to any portion of any liability that—

14          “(A) has not been paid, provided that such  
15      request is made before the expiration of the ap-  
16      plicable period of limitation under section 6502,  
17      or

18          “(B) has been paid, provided that such re-  
19      quest is made during the period in which the  
20      individual could submit a timely claim for re-  
21      fund or credit of such payment.”.

22      (b) EFFECTIVE DATE.—The amendments made by  
23      this section shall apply to petitions or requests filed or  
24      pending on or after the date of the enactment of this Act.

1 **SEC. 1204. MODIFICATION OF PROCEDURES FOR ISSUANCE**  
2 **OF THIRD-PARTY SUMMONS.**

3 (a) IN GENERAL.—Section 7609(f) is amended by  
4 adding at the end the following flush sentence:  
5 “The Secretary shall not issue any summons described in  
6 the preceding sentence unless the information sought to  
7 be obtained is narrowly tailored to information that per-  
8 tains to the failure (or potential failure) of the person or  
9 group or class of persons referred to in paragraph (2) to  
10 comply with one or more provisions of the internal revenue  
11 law which have been identified for purposes of such para-  
12 graph.”.

13 (b) EFFECTIVE DATE.—The amendments made by  
14 this section shall apply to summonses served after the date  
15 of the enactment of this Act.

16 **SEC. 1205. PRIVATE DEBT COLLECTION AND SPECIAL COM-**  
17 **PLIANCE PERSONNEL PROGRAM.**

18 (a) CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR  
19 COLLECTION UNDER TAX COLLECTION CONTRACTS.—  
20 Section 6306(d)(3) is amended by striking “or” at the end  
21 of subparagraph (C) and by inserting after subparagraph  
22 (D) the following new subparagraphs:

23 “(E) a taxpayer substantially all of whose  
24 income consists of disability insurance benefits  
25 under section 223 of the Social Security Act or  
26 supplemental security income benefits under

1 title XVI of the Social Security Act (including  
 2 supplemental security income benefits of the  
 3 type described in section 1616 of such Act or  
 4 section 212 of Public Law 93–66), or

5 “(F) a taxpayer who is an individual with  
 6 adjusted gross income, as determined for the  
 7 most recent taxable year for which such infor-  
 8 mation is available, which does not exceed 200  
 9 percent of the applicable poverty level (as deter-  
 10 mined by the Secretary).”.

11 (b) DETERMINATION OF INACTIVE TAX RECEIV-  
 12 ABLES ELIGIBLE FOR COLLECTION UNDER TAX COLLEC-  
 13 TION CONTRACTS.—Section 6306(c)(2)(A)(ii) is amended  
 14 by striking “more than  $\frac{1}{3}$  of the period of the applicable  
 15 statute of limitation has lapsed” and inserting “more than  
 16 2 years has passed since assessment”.

17 (c) MAXIMUM LENGTH OF INSTALLMENT AGREE-  
 18 MENTS OFFERED UNDER TAX COLLECTION CON-  
 19 TRACTS.—Section 6306(b)(1)(B) is amended by striking  
 20 “5 years” and inserting “7 years”.

21 (d) CLARIFICATION THAT SPECIAL COMPLIANCE  
 22 PERSONNEL PROGRAM ACCOUNT MAY BE USED FOR  
 23 PROGRAM COSTS.—

24 (1) IN GENERAL.—Section 6307(b) is amend-  
 25 ed—

1 (A) in paragraph (2), by striking all that  
 2 follows “under such program” and inserting a  
 3 period; and

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

7 (2) COMMUNICATIONS, SOFTWARE, AND TECH-  
 8 NOLOGY COSTS TREATED AS PROGRAM COSTS.—Sec-  
 9 tion 6307(d)(2)(B) is amended by striking “tele-  
 10 communications” and inserting “communications,  
 11 software, technology”.

12 (3) CONFORMING AMENDMENT.—Section  
 13 6307(d)(2) is amended by striking “and” at the end  
 14 of subparagraph (A), by striking the period at the  
 15 end of subparagraph (B) and inserting “, and”, and  
 16 by inserting after subparagraph (B) the following  
 17 new subparagraph:

18 “(C) reimbursement of the Internal Rev-  
 19 enue Service or other government agencies for  
 20 the cost of administering the qualified tax col-  
 21 lection program under section 6306.”.

22 (e) EFFECTIVE DATES.—

23 (1) IN GENERAL.—Except as otherwise pro-  
 24 vided in this subsection, the amendments made by  
 25 this section shall apply to tax receivables identified

1 by the Secretary (or the Secretary's delegate) after  
2 December 31, 2019.

3 (2) MAXIMUM LENGTH OF INSTALLMENT  
4 AGREEMENTS.—The amendment made by subsection  
5 (c) shall apply to contracts entered into after the  
6 date of the enactment of this Act.

7 (3) USE OF SPECIAL COMPLIANCE PERSONNEL  
8 PROGRAM ACCOUNT.—The amendment made by sub-  
9 section (d) shall apply to amounts expended from  
10 the special compliance personnel program account  
11 after the date of the enactment of this Act.

12 **SEC. 1206. REFORM OF NOTICE OF CONTACT OF THIRD**  
13 **PARTIES.**

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

16 “(1) GENERAL NOTICE.—An officer or em-  
17 ployee of the Internal Revenue Service may not con-  
18 tact any person other than the taxpayer with respect  
19 to the determination or collection of the tax liability  
20 of such taxpayer unless such contact occurs during  
21 a period (not greater than 1 year) which is specified  
22 in a notice which—

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

1           “(B) except as otherwise provided by the  
2           Secretary, is provided to the taxpayer not later  
3           than 45 days before the beginning of such pe-  
4           riod.

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

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

22   **SEC. 1207. MODIFICATION OF AUTHORITY TO ISSUE DES-**  
23                   **IGNATED SUMMONS.**

24          (a) IN GENERAL.—Paragraph (1) of section 6503(j)  
25          is amended by striking “coordinated examination pro-

1 gram” and inserting “coordinated industry case pro-  
2 gram”.

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

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

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

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

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

22 “(4) ESTABLISHMENT THAT REASONABLE RE-  
23 QUESTS FOR INFORMATION WERE MADE.—In any  
24 court proceeding described in paragraph (3), the  
25 Secretary shall establish that reasonable requests

6 SEC. 1208. LIMITATION ON ACCESS OF NON-INTERNAL REV-  
7 ENUE SERVICE EMPLOYEES TO RETURNS  
8 AND RETURN INFORMATION.

“(f) LIMITATION ON ACCESS OF PERSONS OTHER THAN INTERNAL REVENUE SERVICE OFFICERS AND EMPLOYEES.—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 person requires such information for the sole purpose of providing expert evaluation and assistance to the Internal Revenue Service. No person other than an officer or employee 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 pursuant to this section.”.

24 (b) EFFECTIVE DATE.—The amendment made by  
25 this section—

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

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

## 7 **Subtitle D—Organizational** 8 **Modernization**

### 9 **SEC. 1301. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.** 10

11 (a) TAXPAYER ADVOCATE DIRECTIVES.—

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

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

19 “(A) the Commissioner or a Deputy Com-  
20 missioner shall modify, rescind, or ensure com-  
21 pliance with such directive not later than 90  
22 days after the issuance of such directive, and

23 “(B) in the case of any directive which is  
24 modified or rescinded by a Deputy Commis-  
25 sioner, the National Taxpayer Advocate may

1 (not later than 90 days after such modification  
 2 or rescission) appeal to the Commissioner and  
 3 the Commissioner shall (not later than 90 days  
 4 after such appeal is made) ensure compliance  
 5 with such directive as issued by the National  
 6 Taxpayer Advocate or provide the National  
 7 Taxpayer Advocate with a detailed description  
 8 of the reasons for any modification or rescission  
 9 made or upheld by the Commissioner pursuant  
 10 to such appeal.”.

11 (2) REPORT TO CERTAIN COMMITTEES OF CON-  
 12 GRESS REGARDING DIRECTIVES.—Section  
 13 7803(c)(2)(B)(ii) is amended by redesignating sub-  
 14 clauses (VIII) through (XI) as subclauses (IX)  
 15 through (XII), respectively, and by inserting after  
 16 subclause (VII) the following new subclause:

17 “(VIII) identify any Taxpayer  
 18 Advocate Directive which was not  
 19 honored by the Internal Revenue  
 20 Service in a timely manner, as speci-  
 21 fied under paragraph (5),”.

22 (b) NATIONAL TAXPAYER ADVOCATE ANNUAL RE-  
 23 PORTS TO CONGRESS.—

24 (1) INCLUSION OF MOST SERIOUS TAXPAYER  
 25 PROBLEMS.—Section 7803(c)(2)(B)(ii)(III) is

1 amended by striking “at least 20 of the” and insert-  
2 ing “the 10”.

3 (2) COORDINATION WITH TREASURY INSPECTOR  
4 GENERAL FOR TAX ADMINISTRATION.—Section  
5 7803(c)(2) is amended by adding at the end the fol-  
6 lowing new subparagraph:

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

17 (3) STATISTICAL SUPPORT.—

18 (A) IN GENERAL.—Section 6108 is amend-  
19 ed by adding at the end the following new sub-  
20 section:

21 “(d) STATISTICAL SUPPORT FOR NATIONAL TAX-  
22 PAYER ADVOCATE.—The Secretary shall, upon request of  
23 the National Taxpayer Advocate, provide the National  
24 Taxpayer Advocate with statistical support in connection  
25 with the preparation by the National Taxpayer Advocate

1 of the annual report described in section  
2 7803(c)(2)(B)(ii). Such statistical support shall include  
3 statistical studies, compilations, and the review of infor-  
4 mation provided by the National Taxpayer Advocate for  
5 statistical validity and sound statistical methodology.”.

6 (B) DISCLOSURE OF REVIEW.—Section  
7 7803(c)(2)(B)(ii), as amended by subsection  
8 (a), is amended by redesignating subclause  
9 (XII) as subclause (XIII) and by inserting after  
10 subclause (XI) the following new subclause:

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

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

1           received from the Secretary, under section  
2           6108(d).”.

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

7           (d) EFFECTIVE DATE.—

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

12          (2) SALARY OF NATIONAL TAXPAYER ADVO-  
13          CATE.—The amendment made by subsection (c)  
14          shall apply to compensation paid to individuals ap-  
15          pointed as the National Taxpayer Advocate after the  
16          date of the enactment of this Act.

17 **SEC. 1302. MODERNIZATION OF INTERNAL REVENUE SERV-**  
18 **ICE ORGANIZATIONAL STRUCTURE.**

19          (a) IN GENERAL.—Not later than September 30,  
20 2020, the Commissioner of the Internal Revenue Service  
21 shall submit to Congress a comprehensive written plan to  
22 redesign the organization of the Internal Revenue Service.  
23 Such plan shall—

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

1           (2) prioritize taxpayer services to ensure that  
 2           all taxpayers easily and readily receive the assistance  
 3           that they need;

4           (3) streamline the structure of the agency in-  
 5           cluding minimizing the duplication of services and  
 6           responsibilities within the agency;

7           (4) best position the Internal Revenue Service  
 8           to combat cybersecurity and other threats to the In-  
 9           ternal Revenue Service; and

10          (5) address whether the Criminal Investigation  
 11          Division of the Internal Revenue Service should re-  
 12          port directly to the Commissioner.

13          (b) REPEAL OF RESTRICTION ON ORGANIZATIONAL  
 14          STRUCTURE OF INTERNAL REVENUE SERVICE.—Para-  
 15          graph (3) of section 1001(a) of the Internal Revenue Serv-  
 16          ice Restructuring and Reform Act of 1998 shall cease to  
 17          apply beginning 1 year after the date on which the Com-  
 18          missioner of the Internal Revenue Service submits to Con-  
 19          gress the plan described in subsection (a).

## 20           **Subtitle E—Other Provisions**

### 21          **SEC. 1401. RETURN PREPARATION PROGRAMS FOR APPLI-** 22                 **CABLE TAXPAYERS.**

23          (a) IN GENERAL.—Chapter 77 is amended by insert-  
 24          ing after section 7526 the following new section:

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

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

12 “(b) USE OF FUNDS.—

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

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

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

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

26 “(iii) equipment purchases, and

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

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

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

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

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

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

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

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

25                  “(c) APPLICATION.—

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

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

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

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

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

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

23           “(d) PROGRAM ADHERENCE.—

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

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

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

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

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

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

17              “(B) is subsequently determined—

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

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

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

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

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

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

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

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

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

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

19 “(2) QUALIFIED ENTITY.—

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

22 “(i) is an eligible organization,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 “(f) SPECIAL RULES AND LIMITATIONS.—

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

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

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

3       “(g) PROMOTION OF PROGRAMS.—

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

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

13              “(3) VITA GRANTEE REFERRAL.—Qualified re-  
14      turn preparation programs receiving a grant under  
15      this section are encouraged, in appropriate cases,  
16      to—

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

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

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

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

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

6 (a) IN GENERAL.—Section 7526(c) of the Internal  
 7 Revenue Code of 1986 is amended by adding at the end  
 8 the following new paragraph:

9 “(6) PROVISION OF INFORMATION REGARDING  
 10 QUALIFIED LOW-INCOME TAXPAYER CLINICS.—Not-  
 11 withstanding any other provision of law, officers and  
 12 employees of the Department of the Treasury may—  
 13 “(A) advise taxpayers of the availability of,  
 14 and eligibility requirements for receiving, advice  
 15 and assistance from one or more specific quali-  
 16 fied low-income taxpayer clinics receiving fund-  
 17 ing under this section, and

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

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

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

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

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

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

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

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

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

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

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

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

4 (a) IN GENERAL.—Section 6336 of the Internal Rev-  
5 enue Code of 1986 is amended by striking “or become  
6 greatly reduced in price or value by keeping, or that such  
7 property cannot be kept without great expense”.

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

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

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

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

16 “(13) DISCLOSURE TO WHISTLEBLOWERS.—

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

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 INVESTIGATIONS.—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 individual has provided information has made a payment of tax with respect to tax liability to which such information relates, a notice 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—

1 “(I) information on the status  
 2 and stage of any investigation or ac-  
 3 tion related to such information, and  
 4 “(II) in the case of a determina-  
 5 tion of the amount of any award  
 6 under section 7623(b), the reasons for  
 7 such determination.

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

16 (2) CONFORMING AMENDMENTS.—

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

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

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

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

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

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

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

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

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

21 “(2) ENFORCEMENT ACTION.—

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

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

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

13 “(B) PROCEDURE.—

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

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

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

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

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

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

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

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

22 “(3) REMEDIES.—

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

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

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

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

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

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

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

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

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

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

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

10 (c) EFFECTIVE DATE.—

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

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

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

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

22 (1) Information about common tax scams.

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

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

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

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

6       “(n) MISDIRECTED DIRECT DEPOSIT REFUND.—Not  
7   later than the date which is 6 months after the date of  
8   the enactment of the Taxpayer First Act of 2018, the Sec-  
9   retary shall prescribe regulations to establish procedures  
10   to allow for—

11           “(1) taxpayers to report instances in which a  
12       refund made by the Secretary by electronic funds  
13       transfer was erroneously delivered to an account at  
14       a financial institution for which the taxpayer is not  
15       the owner;

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

18                   “(A) identifying erroneous payments de-  
19       scribed in paragraph (1); and

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

22           “(3) the refund to be delivered to the correct  
23       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

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

3 (b) DEVELOPMENT OF PERFORMANCE METRICS.—

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

8 (c) DISCLOSURE.—

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

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

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

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

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

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

7 “(I) any person designated by  
8 the Secretary as having primary re-  
9 sponsibility for a function performed  
10 with respect to the information shar-  
11 ing and analysis center described in  
12 section 2003(a) of the Taxpayer First  
13 Act of 2018, and

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

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

1                   safeguarding of such information by such  
2                   person.

3                   “(C) SPECIFIED RETURN INFORMATION.—

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

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

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

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

“(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—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 (b) REQUIREMENTS.—

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

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

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

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

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

20 (b) SINGLE POINT OF CONTACT.—

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

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

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

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

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

13 (B) notify the taxpayer when appropriate.

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

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

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

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

24 “(1) as soon as practicable, notify the indi-  
 25 vidual of such determination and provide—

1           “(A) instructions on how to file a report  
2           with law enforcement regarding the unauthor-  
3           ized use of the identity of the individual,

4           “(B) the identification of any forms nec-  
5           essary for the individual to complete and submit  
6           to law enforcement to permit access to personal  
7           information of the individual during the inves-  
8           tigation,

9           “(C) information regarding actions the in-  
10          dividual may take in order to protect the indi-  
11          vidual from harm relating to such unauthorized  
12          use, and

13          “(D) an offer of identity protection meas-  
14          ures to be provided to the individual by the In-  
15          ternal Revenue Service, such as the use of an  
16          identity protection personal identification num-  
17          ber, and

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

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

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

4           “(C) whether—

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

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

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

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

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

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

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

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

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

13          (b) ADDITIONAL MEASURES.—

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

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

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

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

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

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

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

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

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

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

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

16 (1) standards for—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**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.—Sec-  
tion 7803, as amended by section 1001, is amended by  
adding at the end the following new subsection:

“(f) INTERNAL REVENUE SERVICE CHIEF INFORMAT-  
TION OFFICER.—

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

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

1 any responsibility, shall be treated as a reference to  
2 the Commissioner 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 Commissioner 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 Commissioner 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. 2102. 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. 2103. 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 **SEC. 2104. STREAMLINED CRITICAL PAY AUTHORITY FOR**  
 16 **INFORMATION TECHNOLOGY POSITIONS.**

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

19 **“SEC. 7812. STREAMLINED CRITICAL PAY AUTHORITY FOR**  
 20 **INFORMATION TECHNOLOGY POSITIONS.**

21           “In the case of any position which is critical to the  
 22           functionality of the information technology operations of  
 23           the Internal Revenue Service—

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

1           “(A) by substituting ‘during the period be-  
2           ginning on the date of the enactment of section  
3           7812 of the Internal Revenue Code of 1986,  
4           and ending on September 30, 2023’ for ‘Before  
5           September 30, 2013 in subsection (a)’,

6           “(B) without regard to subparagraph (B)  
7           of subsection (a)(1), and

8           “(C) by substituting ‘the date of the enact-  
9           ment of the Taxpayer First Act of 2018’ for  
10          ‘June 1, 1998’ in subsection (a)(6),

11          “(2) section 9504 of such title 5 shall be ap-  
12          plied by substituting ‘During the period beginning  
13          on the date of the enactment of section 7812 of the  
14          Internal Revenue Code of 1986, and ending on Sep-  
15          tember 30, 2023’ for ‘Before September 30, 2013’  
16          each place it appears in subsections (a) and (b), and

17          “(3) section 9505 of such title shall be ap-  
18          plied—

19                 “(A) by substituting ‘During the period be-  
20                 ginning on the date of the enactment of section  
21                 7812 of the Internal Revenue Code of 1986,  
22                 and ending on September 30, 2023’ for ‘Before  
23                 September 30, 2013’ in subsection (a), and

1 “(B) by substituting ‘the information tech-  
 2 nology operations’ for ‘significant functions’ in  
 3 subsection (a).”.

4 (b) CLERICAL AMENDMENT.—The table of sections  
 5 for subchapter A of chapter 80 is amended by adding at  
 6 the end the following new item:

“Sec. 7812. Streamlined critical pay authority for information technology posi-  
 tions.”.

7 **Subtitle C—Modernization of Con-**  
 8 **sent-Based Income Verification**  
 9 **System**

10 **SEC. 2201. DISCLOSURE OF TAXPAYER INFORMATION FOR**  
 11 **THIRD-PARTY INCOME VERIFICATION.**

12 (a) IN GENERAL.—Not later than 1 year after the  
 13 close of the 2-year period described in subsection (d)(1),  
 14 the Secretary of the Treasury or the Secretary’s delegate  
 15 (hereafter referred to in this section as the “Secretary”)  
 16 shall implement a program to ensure that any qualified  
 17 disclosure—

18 (1) is fully automated and accomplished  
 19 through the Internet; and

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

22 (b) QUALIFIED DISCLOSURE.—For purposes of this  
 23 section, the term “qualified disclosure” means a disclosure  
 24 under section 6103(c) of the Internal Revenue Code of

1 1986 of returns or return information by the Secretary  
2 to a person seeking to verify the income or creditworthi-  
3 ness of a taxpayer who is a borrower in the process of  
4 a loan application.

5 (c) APPLICATION OF SECURITY STANDARDS.—The  
6 Secretary shall ensure that the program described in sub-  
7 section (a) complies with applicable security standards and  
8 guidelines.

9 (d) USER FEE.—

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

20 (2) DEPOSIT OF COLLECTIONS.—Amounts re-  
21 ceived from fees assessed and collected under para-  
22 graph (1) shall be deposited in, and credited to, an  
23 account solely for the purpose of carrying out the  
24 activities described in subsection (a). Such amounts  
25 shall be available to carry out such activities without

1       need of further appropriation and without fiscal year  
2       limitation.

3   **SEC. 2202. LIMIT REDISCLOSURES AND USES OF CONSENT-**  
4                   **BASED DISCLOSURES OF TAX RETURN INFOR-**  
5                   **MATION.**

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

14      (b) APPLICATION OF PENALTIES.—Section  
15      6103(a)(3) is amended by inserting “subsection (c),” after  
16      “return information under”.

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

20                   **Subtitle D—Expanded Use of**  
21                   **Electronic Systems**

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

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

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

4 “(5) APPLICABLE NUMBER.—

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

7 “(i) except as provided in subpara-  
 8 graph (B), in the case of calendar years  
 9 before 2020, 250,

10 “(ii) in the case of calendar year  
 11 2020, 100, and

12 “(iii) in the case of calendar years  
 13 after 2020, 10.

14 “(B) SPECIAL RULE FOR PARTNERSHIPS  
 15 FOR 2018 AND 2019.—In the case of a partner-  
 16 ship, for any calendar year before 2020, the ap-  
 17 plicable number shall be—

18 “(i) in the case of calendar year 2018,  
 19 200, and

20 “(ii) in the case of calendar year  
 21 2019, 150.

22 “(6) PARTNERSHIPS REQUIRED TO FILE ON  
 23 MAGNETIC MEDIA.—Notwithstanding paragraph  
 24 (2)(A), the Secretary shall require partnerships hav-

1       ing more than 100 partners to file returns on mag-  
 2       netic media.”.

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

6               “(D) EXCEPTION FOR CERTAIN PRE-  
 7               PARERS LOCATED IN AREAS WITHOUT INTER-  
 8               NET ACCESS.—The Secretary may waive the re-  
 9               quirement of subparagraph (A) if the Secretary  
 10              determines, on the basis of an application by  
 11              the tax return preparer, that the preparer can-  
 12              not meet such requirement by reason of being  
 13              located in a geographic area which does not  
 14              have access to internet service (other than dial-  
 15              up or satellite service).”.

16       (d) EFFECTIVE DATE.—The amendments made by  
 17       this section shall take effect on the date of the enactment  
 18       of this Act.

19       **SEC. 2302. UNIFORM STANDARDS FOR THE USE OF ELEC-**  
 20               **TRONIC SIGNATURES FOR DISCLOSURE AU-**  
 21               **THORIZATIONS TO, AND OTHER AUTHORIZA-**  
 22               **TIONS OF, PRACTITIONERS.**

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

24               “(3) PUBLISHED GUIDANCE.—

1           “(A) IN GENERAL.—The Secretary shall  
2           publish guidance as appropriate to define and  
3           implement any waiver of the signature require-  
4           ments or any method adopted under paragraph  
5           (1).

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

19          “(C) PRACTITIONER.—For purposes of  
20          subparagraph (B), the term ‘practitioner’  
21          means any individual in good standing who is  
22          regulated under section 330 of title 31, United  
23          States Code.”.

1 **SEC. 2303. PAYMENT OF TAXES BY DEBIT AND CREDIT**  
2 **CARDS.**

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

13 **SEC. 2304. REQUIREMENT THAT ELECTRONICALLY PRE-**  
14 **PARED PAPER RETURNS INCLUDE SCAN-**  
15 **NABLE CODE.**

16 (a) IN GENERAL.—Subsection (e) of section 6011, as  
17 amended by this Act, is amended by adding at the end  
18 the following new paragraph:

19 “(7) SPECIAL RULE FOR RETURNS PREPARED  
20 ELECTRONICALLY AND SUBMITTED ON PAPER.—The  
21 Secretary shall require that any return of tax which  
22 is prepared electronically, but is printed and filed on  
23 paper, bear a code which can, when scanned, convert  
24 such return to electronic format.”.

1 (b) CONFORMING AMENDMENT.—Paragraph (1) of  
 2 section 6011(e) is amended by striking “paragraph (3)”  
 3 and inserting “paragraphs (3) and (7)”.

4 (c) EFFECTIVE DATE.—The amendments made by  
 5 this section shall apply to returns of tax the due date for  
 6 which (determined without regard to extensions) is after  
 7 December 31, 2020.

8 **SEC. 2305. AUTHENTICATION OF USERS OF ELECTRONIC**  
 9 **SERVICES ACCOUNTS.**

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

16 **Subtitle E—Other Provisions**

17 **SEC. 2401. REPEAL OF PROVISION REGARDING CERTAIN**  
 18 **TAX COMPLIANCE PROCEDURES AND RE-**  
 19 **PORTS.**

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

23 **SEC. 2402. COMPREHENSIVE TRAINING STRATEGY.**

24 Not later than 1 year after the date of the enactment  
 25 of this Act, the Commissioner of Internal Revenue shall

1 submit to Congress a written report providing a com-  
2 prehensive training strategy for employees of the Internal  
3 Revenue Service, including—

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

8           (2) a plan to develop annual training regarding  
9           taxpayer rights, including the role of the Office of  
10          the Taxpayer Advocate, for employees that interface  
11          with taxpayers and their managers;

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

13          (4) proposals to—

14                (A) focus employee training on early, fair,  
15                and efficient resolution of taxpayer disputes for  
16                employees that interface with taxpayers and  
17                their managers; and

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

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

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

6       **SEC. 3001. ELECTRONIC RECORD RETENTION.**

7           (a) RETENTION OF RECORDS.—

8                   (1) IN GENERAL.—Email records of the Inter-  
9           nal Revenue Service shall be retained in an appro-  
10          priate electronic system that supports records man-  
11          agement and litigation requirements, including the  
12          capability to identify, retrieve, and retain the  
13          records, in accordance with the requirements de-  
14          scribed in paragraph (2).

15                  (2) REQUIREMENTS.—

16                          (A) PRIOR TO CERTIFICATION.—The Com-  
17           missioner of Internal Revenue and the Chief  
18           Counsel for the Internal Revenue Service shall  
19           retain all email records generated on or after  
20           the date of the enactment of this Act and be-  
21           fore the date on which the Treasury Inspector  
22           General for Tax Administration makes the cer-  
23           tification under subsection (c)(1).

24                          (B) PRINCIPAL OFFICERS AND SPECIFIED  
25           EMPLOYEES.—Not later than December 31,

1           2019, the Commissioner of Internal Revenue  
2           and the Chief Counsel for the Internal Revenue  
3           Service shall maintain email records of all prin-  
4           cipal officers and specified employees of the In-  
5           ternal Revenue Service for a period of not less  
6           than 15 years beginning on the date such  
7           record was generated.

8           (b) TRANSMISSION OF RECORDS TO THE NATIONAL  
9   ARCHIVES.—Not later than 15 years after the date on  
10   which an email record of a principal officer or specified  
11   employee of the Internal Revenue Service is generated, the  
12   Commissioner of Internal Revenue and the Chief Counsel  
13   for the Internal Revenue Service shall transfer such email  
14   record to the Archivist of the United States.

15          (c) COMPLIANCE.—

16           (1) CERTIFICATION.—On the date that the  
17   Treasury Inspector General for Tax Administration  
18   determines that the Internal Revenue Service has a  
19   program in place that complies with the require-  
20   ments of subsections (a)(2)(B) and (b), the Treas-  
21   ury Inspector General for Tax Administration shall  
22   certify to the Committee on Ways and Means of the  
23   House of Representatives and the Committee on Fi-  
24   nance of the Senate that the Internal Revenue Serv-  
25   ice is in compliance with such requirements.

1 (2) REPORTS.—

2 (A) INTERIM REPORT.—Not later than De-  
3 cember 31, 2019, the Treasury Inspector Gen-  
4 eral for Tax Administration shall submit a re-  
5 port to the Committee on Ways and Means of  
6 the House of Representatives and the Com-  
7 mittee on Finance of the Senate on the steps  
8 being taken by the Commissioner of Internal  
9 Revenue and the Chief Counsel for the Internal  
10 Revenue Service to comply with the require-  
11 ments of subsections (a)(2)(B) and (b).

12 (B) FINAL REPORT.—Not later than April  
13 1, 2020, the Treasury Inspector General for  
14 Tax Administration shall submit a report to the  
15 Committee on Ways and Means of the House of  
16 Representatives and the Committee on Finance  
17 of the Senate describing whether the Internal  
18 Revenue Service is in compliance with the re-  
19 quirements of subsections (a)(2)(B) and (b).

20 (d) DEFINITIONS.—For purposes of this section—

21 (1) PRINCIPAL OFFICER.—The term “principal  
22 officer” means, with respect to the Internal Revenue  
23 Service—

24 (A) any employee whose position is listed  
25 under the Internal Revenue Service in the most

1 recent version of the United States Government  
2 Manual published by the Office of the Federal  
3 Register;

4 (B) any employee who is a senior staff  
5 member reporting directly to the Commissioner  
6 of Internal Revenue or the Chief Counsel for  
7 the Internal Revenue Service; and

8 (C) any associate counsel, deputy counsel,  
9 or division head in the Office of the Chief  
10 Counsel for the Internal Revenue Service.

11 (2) SPECIFIED EMPLOYEE.—The term “speci-  
12 fied employee” means, with respect to the Internal  
13 Revenue Service, any employee who—

14 (A) holds a Senior Executive Service posi-  
15 tion (as defined in section 3132 of title 5,  
16 United States Code) in the Internal Revenue  
17 Service or the Office of Chief Counsel for the  
18 Internal Revenue Service; and

19 (B) is not a principal officer of the Inter-  
20 nal Revenue Service.

1 **SEC. 3002. PROHIBITION ON REHIRING ANY EMPLOYEE OF**  
2 **THE INTERNAL REVENUE SERVICE WHO WAS**  
3 **INVOLUNTARILY SEPARATED FROM SERVICE**  
4 **FOR MISCONDUCT.**

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

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

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

18 **SEC. 3003. NOTIFICATION OF UNAUTHORIZED INSPECTION**  
19 **OR DISCLOSURE OF RETURNS AND RETURN**  
20 **INFORMATION.**

21 (a) IN GENERAL.—Subsection (e) of section 7431 is  
22 amended by adding at the end the following new sen-  
23 tences: “The Secretary shall also notify such taxpayer if  
24 the Internal Revenue Service or a Federal or State agency  
25 (upon notice to the Secretary by such Federal or State  
26 agency) proposes an administrative determination as to

1 disciplinary or adverse action against an employee arising  
 2 from the employee's unauthorized inspection or disclosure  
 3 of the taxpayer's return or return information. The notice  
 4 described in this subsection shall include the date of the  
 5 unauthorized inspection or disclosure and the rights of the  
 6 taxpayer under such administrative determination.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
 8 this section shall apply to determinations proposed after  
 9 the date which is 180 days after the date of the enactment  
 10 of this Act.

## 11 **Subtitle B—Provisions Relating to** 12 **Exempt Organizations**

### 13 **SEC. 3101. MANDATORY E-FILING BY EXEMPT ORGANIZA-** 14 **TIONS.**

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

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

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

24 (c) INSPECTION OF ELECTRONICALLY FILED AN-  
 25 NUAL RETURNS.—Subsection (b) of section 6104 is

1 amended by adding at the end the following: “Any annual  
2 return required to be filed electronically under section  
3 6033(n) shall be made available by the Secretary to the  
4 public as soon as practicable in a machine readable for-  
5 mat.”.

6 (d) EFFECTIVE DATE.—

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

11 (2) TRANSITIONAL RELIEF.—

12 (A) SMALL ORGANIZATIONS.—

13 (i) IN GENERAL.—In the case of any  
14 small organizations, or any other organiza-  
15 tions for which the Secretary of the Treas-  
16 ury or the Secretary’s delegate (hereafter  
17 referred to in this paragraph as the “Sec-  
18 retary”) determines the application of the  
19 amendments made by this section would  
20 cause undue burden without a delay, the  
21 Secretary may delay the application of  
22 such amendments, but such delay shall not  
23 apply to any taxable year beginning on or  
24 after the date 2 years after of the enact-  
25 ment of this Act.

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

4                               (I) the gross receipts of which for  
5                               the taxable year are less than  
6                               \$200,000; and

7                               (II) the aggregate gross assets of  
8                               which at the end of the taxable year  
9                               are less than \$500,000.

10                   (B) ORGANIZATIONS FILING FORM 990—  
11                   T.—In the case of any organization described  
12                   in section 511(a)(2) of the Internal Revenue  
13                   Code of 1986 which is subject to the tax im-  
14                   posed by section 511(a)(1) of such Code on its  
15                   unrelated business taxable income, or any orga-  
16                   nization required to file a return under section  
17                   6033 of such Code and include information  
18                   under subsection (e) thereof, the Secretary may  
19                   delay the application of the amendments made  
20                   by this section, but such delay shall not apply  
21                   to any taxable year beginning on or after the  
22                   date 2 years after of the enactment of this Act.

1 **SEC. 3102. NOTICE REQUIRED BEFORE REVOCATION OF**  
2 **TAX EXEMPT STATUS FOR FAILURE TO FILE**  
3 **RETURN.**

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

6 “(A) NOTICE.—

7 “(i) IN GENERAL.—After an organiza-  
8 tion described in subsection (a)(1) or (i)  
9 fails to file the annual return or notice re-  
10 quired under either subsection for 2 con-  
11 secutive years, the Secretary shall notify  
12 the organization—

13 “(I) that the Internal Revenue  
14 Service has no record of such a return  
15 or notice from such organization for 2  
16 consecutive years, and

17 “(II) about the revocation that  
18 will occur under subparagraph (B) if  
19 the organization fails to file such a re-  
20 turn or notice by the due date for the  
21 next such return or notice required to  
22 be filed.

23 The notification under the preceding sen-  
24 tence shall include information about how  
25 to comply with the filing requirements  
26 under subsection (a)(1) and (i).

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

2 (b) EFFECTIVE DATE.—The amendment made by  
3 this section shall apply to failures to file returns or notices  
4 for 2 consecutive years if the return or notice for the sec-  
5 ond year is required to be filed after December 31, 2018.

## 6 **Subtitle C—Tax Court**

### 7 **SEC. 3301. DISQUALIFICATION OF JUDGE OR MAGISTRATE**

#### 8 **JUDGE OF THE TAX COURT.**

9 (a) IN GENERAL.—Part II of subchapter C of chap-  
10 ter 76 is amended by adding at the end the following new  
11 section:

### 12 **“SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE**

#### 13 **JUDGE OF THE TAX COURT.**

14 “Section 455 of title 28, United States Code, shall  
15 apply to judges and magistrate judges of the Tax Court  
16 and to proceedings of the Tax Court.”.

17 (b) CLERICAL AMENDMENT.—The table of sections  
18 for such part is amended by adding at the end the fol-  
19 lowing new item:

“Sec. 7467. Disqualification of judge or magistrate judge of the Tax Court.”.

### 20 **SEC. 3302. OPINIONS AND JUDGMENTS.**

21 (a) IN GENERAL.—Section 7459 is amended by strik-  
22 ing all that precedes subsection (c) and inserting the fol-  
23 lowing:

1   **“SEC. 7459. OPINIONS AND JUDGMENTS.**

2       “(a) REQUIREMENT.—An opinion upon any pro-  
3   ceeding instituted before the Tax Court and a judgment  
4   thereon shall be made as quickly as practicable. The judg-  
5   ment shall be made by a judge in accordance with the  
6   opinion of the Tax Court, and such judgment so made  
7   shall, when entered, be the judgment of the Tax Court.

8       “(b) INCLUSION OF FINDINGS OF FACT IN OPIN-  
9   ION.—It shall be the duty of the Tax Court and of each  
10   division to include in its opinion or memorandum opinion  
11   upon any proceeding, its findings of fact. The Tax Court  
12   shall issue in writing all of its findings of fact, opinions,  
13   and memorandum opinions. Subject to such conditions as  
14   the Tax Court may by rule provide, the requirements of  
15   this subsection and of section 7460 are met if findings  
16   of fact or opinion are stated orally and recorded in the  
17   transcript of the proceedings.”.

18       (b) REFERENCES.—Section 7459 is amended by re-  
19   designating subsection (g) as subsection (h) and by insert-  
20   ing after subsection (f) the following new subsection:

21       “(g) REFERENCES.—Any reference in this title to a  
22   decision or report of the Tax Court shall be treated as  
23   a reference to a judgment or opinion of the Tax Court,  
24   respectively.”.

1 (c) CONFORMING AMENDMENT.—The item relating  
 2 to section 7459 in the table of sections for part II of sub-  
 3 chapter C of chapter 76 is amended to read as follows:

“Sec. 7459. Opinions and judgments.”.

4 (d) CONTINUING EFFECT OF LEGAL DOCUMENTS.—  
 5 All orders, decisions, reports, rules, permits, agreements,  
 6 grants, contracts, certificates, licenses, registrations, privi-  
 7 leges, and other administrative actions, in connection with  
 8 the Tax Court, which are in effect at the time this section  
 9 takes effect, or were final before the effective date of this  
 10 section and are to become effective on or after the effective  
 11 date of this section, shall continue in effect according to  
 12 their terms until modified, terminated, superseded, set  
 13 aside, or revoked in accordance with law by the Tax Court.

14 **SEC. 3303. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO**  
 15 **MAGISTRATE JUDGE OF THE TAX COURT.**

16 (a) IN GENERAL.—Section 7443A is amended—

17 (1) by striking “special trial judges” in sub-  
 18 sections (a) and (e) and inserting “magistrate  
 19 judges of the Tax Court”;

20 (2) by striking “special trial judges of the  
 21 court” in subsection (b) and inserting “magistrate  
 22 judges of the Tax Court”; and

23 (3) by striking “special trial judge” in sub-  
 24 sections (c) and (d) and inserting “magistrate judge  
 25 of the Tax Court”.

1 (b) CONFORMING AMENDMENTS.—

2 (1) The heading of section 7443A is amended  
3 by striking “**SPECIAL TRIAL JUDGES**” and insert-  
4 ing “**MAGISTRATE JUDGES OF THE TAX**  
5 **COURT**”.

6 (2) The heading of section 7443A(b) is amend-  
7 ed by striking “SPECIAL TRIAL JUDGES” and insert-  
8 ing “MAGISTRATE JUDGES OF THE TAX COURT”.

9 (3) The item relating to section 7443A in the  
10 table of sections for part I of subchapter C of chap-  
11 ter 76 is amended to read as follows:

“Sec. 7443A. Magistrate judges of the Tax Court.”.

12 (4) The heading of section 7448 is amended by  
13 striking “**SPECIAL TRIAL JUDGES**” and inserting  
14 “**MAGISTRATE JUDGES OF THE TAX COURT**”.

15 (5) Section 7448 is amended—

16 (A) by striking “special trial judge’s” each  
17 place it appears in subsections (a)(6), (c)(1),  
18 (d), and (m)(1) and inserting “magistrate judge  
19 of the Tax Court’s”; and

20 (B) by striking “special trial judge” each  
21 place it appears other than in subsection (n)  
22 and inserting “magistrate judge of the Tax  
23 Court”.

24 (6) Section 7448(n) is amended—

1 (A) by striking “special trial judge which  
2 are allowable” and inserting “magistrate judge  
3 of the Tax Court which are allowable”; and

4 (B) by striking “special trial judge of the  
5 Tax Court” both places it appears and inserting  
6 “magistrate judge of the Tax Court”.

7 (7) The heading of section 7448(b)(2) is  
8 amended by striking “SPECIAL TRIAL JUDGES” and  
9 inserting “MAGISTRATE JUDGES OF THE TAX  
10 COURT”.

11 (8) The item relating to section 7448 in the  
12 table of sections for part I of subchapter C of chap-  
13 ter 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.”.

14 (9) Section 7456(a) is amended—

15 (A) by striking “special trial judge” each  
16 place it appears and inserting “magistrate  
17 judge”; and

18 (B) by striking “(or by the clerk” and in-  
19 serting “of the Tax Court (or by the clerk”.

20 (10) Section 7466(a) is amended by striking  
21 “special trial judge” and inserting “magistrate  
22 judge”.

23 (11) Section 7470A is amended by striking  
24 “special trial judges” both places it appears in sub-

1 sections (a) and (b) and inserting “magistrate  
2 judges”.

3 (12) Section 7471(a)(2)(A) is amended by  
4 striking “special trial judges” and inserting “mag-  
5 istrate judges”.

6 (13) Section 7471(c) is amended—

7 (A) by striking “SPECIAL TRIAL JUDGES”  
8 in the heading and inserting “MAGISTRATE  
9 JUDGES OF THE TAX COURT”; and

10 (B) by striking “special trial judges” and  
11 inserting “magistrate judges”.

12 **SEC. 3304. REPEAL OF DEADWOOD RELATED TO BOARD OF**  
13 **TAX APPEALS.**

14 (a) Section 7459, as amended by this Act, is amended  
15 by striking subsection (f) and by redesignating subsections  
16 (g) and (h) as subsections (f) and (g), respectively.

17 (b) Section 7447(a)(3) is amended to read as follows:

18 “(3) In any determination of length of service  
19 as judge or as a judge of the Tax Court of the  
20 United States there shall be included all periods  
21 (whether or not consecutive) during which an indi-  
22 vidual served as judge.”.

○