

[DISCUSSION DRAFT]

MARCH 26, 2018

115TH CONGRESS  
2D SESSION

**H. R.** \_\_\_\_\_

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

Ms. JENKINS of Kansas (for herself and Mr. LEWIS of Georgia) introduced the following bill; which was referred to the Committee on

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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”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-  
7 wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment  
2 to, or repeal of, a section or other provision, the reference  
3 shall be considered to be made to a section or other provi-  
4 sion of the Internal Revenue Code of 1986.

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

Sec. 1. Amendment of 1986 Code; table of contents.

#### TITLE I—INDEPENDENT APPEALS PROCESS

Sec. 101. Establishment of Internal Revenue Service Independent Office of Appeals.

#### TITLE II—IMPROVED SERVICE

- Sec. 201. Comprehensive customer service strategy.
- Sec. 202. Return preparation programs for low-income taxpayers.
- Sec. 203. IRS Free File Program.
- Sec. 204. Low-income exception for payments otherwise required in connection with a submission of an offer-in-compromise.
- Sec. 205. Notice from IRS regarding closure of taxpayer assistance centers.
- Sec. 206. Provision of information regarding low-income taxpayer clinics.

#### TITLE III—SENSIBLE ENFORCEMENT

- Sec. 301. Internal Revenue Service seizure requirements with respect to structuring transactions.
- Sec. 302. Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.
- Sec. 303. Clarification of equitable relief from joint liability.
- Sec. 304. Rules for seizure of perishable goods restricted to only perishable goods.
- Sec. 305. Modification of procedures for issuance of third-party summons.
- Sec. 306. Establishment of income threshold for referral to private debt collection.
- Sec. 307. Reform of notice to contact third parties.
- Sec. 308. Modification of authority to issue designated summons.
- Sec. 309. Limitation on access of non-Internal Revenue Service employees to returns and return information.

#### TITLE IV—CYBER SECURITY AND IDENTITY PROTECTION

- Sec. 401. Public-private partnership to address identity theft refund fraud.
- Sec. 402. Recommendations of Electronic Tax Administration Advisory Committee regarding identity theft refund fraud.
- Sec. 403. Information sharing and analysis center.
- Sec. 404. Single point of contact for identity theft victims.
- Sec. 405. Identity protection personal identification numbers.
- Sec. 406. Compliance by contractors with confidentiality safeguards.

TITLE V—MODERNIZATION

Subtitle A—Development of Information Technology

- Sec. 501. Management of Internal Revenue Service information technology.
- Sec. 502. Development of online accounts and portals.
- Sec. 503. Internet platform for Form 1099 filings.

Subtitle B—Modernization of Consent-based Income Verification System

- Sec. 511. Disclosure of taxpayer information for third-party income verification.
- Sec. 512. Limit redisclosures and uses of consent-based disclosures of tax return information.

Subtitle C—Expanded Use of Electronic Systems

- Sec. 521. Electronic filing of returns.
- Sec. 522. Mandatory electronic filing for annual returns of exempt organizations.
- Sec. 523. Uniform standards for the use of electronic signatures for disclosure authorizations to, and other authorizations of, practitioners.
- Sec. 524. Payment of taxes by debit and credit cards.

Subtitle D—Organizational Modernization

- Sec. 531. Modification of title of Commissioner of Internal Revenue and related officials.
- Sec. 532. Office of the National Taxpayer Advocate.
- Sec. 533. Elimination of IRS Oversight Board.
- Sec. 534. Authority to modernize the organization of the Internal Revenue Service.

TITLE VI—TAX COURT

- Sec. 601. Disqualification of judge or magistrate judge of the Tax Court.
- Sec. 602. Opinions and judgments.
- Sec. 603. Title of special trial judge changed to magistrate judge of the Tax Court.
- Sec. 604. Repeal of deadwood related to Board of Tax Appeals.

1                   **TITLE I—INDEPENDENT**  
 2                   **APPEALS PROCESS**  
 3 **SEC. 101. ESTABLISHMENT OF INTERNAL REVENUE SERV-**  
 4                   **ICE INDEPENDENT OFFICE OF APPEALS.**

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

7           “(e) INDEPENDENT OFFICE OF APPEALS.—

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

5           “(2) CHIEF OF APPEALS.—

6           “(A) IN GENERAL.—The Internal Revenue  
7 Service Independent Office of Appeals shall be  
8 under the supervision and direction of an offi-  
9 cial to be known as the ‘Chief of Appeals’. The  
10 Chief of Appeals shall report directly to the Ad-  
11 ministrator of the Internal Revenue Service and  
12 shall be entitled to compensation at the same  
13 rate as the highest rate of basic pay established  
14 for the Senior Executive Service under section  
15 5382 of title 5, United States Code, or, if the  
16 Secretary of the Treasury so determines, at a  
17 rate fixed under section 9503 of such title.

18           “(B) APPOINTMENT.—The Chief of Ap-  
19 peals shall be appointed by the Administrator of  
20 the Internal Revenue Service, after consultation  
21 with the National Taxpayer Advocate, and with-  
22 out regard to the provisions of title 5, United  
23 States Code, relating to appointments in the  
24 competitive service or the Senior Executive  
25 Service.

1           “(C) QUALIFICATIONS.—An individual ap-  
2           pointed under subparagraph (B) shall have ex-  
3           perience and expertise in—

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

6                   “(ii) resolution of controversies on an  
7                   impartial basis, and

8                   “(iii) management of large service or-  
9                   ganizations.

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

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

16                   “(B) promotes a consistent application and  
17                   interpretation of, and voluntary compliance  
18                   with, the Federal tax laws, and

19                   “(C) enhances public confidence in the in-  
20                   tegrity and efficiency of the Internal Revenue  
21                   Service.

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

1           “(5) LIMITATION ON DESIGNATION OF CASES  
2 AS NOT ELIGIBLE FOR REFERRAL TO INDEPENDENT  
3 OFFICE OF APPEALS ON THE BASIS OF SOUND TAX  
4 ADMINISTRATION.—

5           “(A) IN GENERAL.—If any taxpayer re-  
6 quests referral to the Internal Revenue Service  
7 Independent Office of Appeals and such request  
8 is not granted on the basis that such referral is  
9 not consistent with sound tax administration  
10 (or any similar basis), the Administrator of the  
11 Internal Revenue Service shall provide such tax-  
12 payer a written notice which—

13           “(i) provides a precise and detailed  
14 description of the reasons that such re-  
15 quest was not granted, and

16           “(ii) describes the procedures for pro-  
17 testing the decision not to grant such re-  
18 quest to the Chief Counsel.

19           “(B) REPORT TO CONGRESS.—The Admin-  
20 istrator of the Internal Revenue Service shall  
21 submit a written report to Congress on an an-  
22 nual basis which includes the number of re-  
23 quests for referral to which subparagraph (A)  
24 applied and the reasons (described by category)  
25 that such requests were not granted.

1           “(C) PROTEST TO CHIEF COUNSEL.—The  
2 Administrator of the Internal Revenue Service  
3 shall prescribe procedures for protesting to the  
4 Chief Counsel the decision to not grant a re-  
5 quest described in subparagraph (A).

6           “(D) NOT APPLICABLE TO FRIVOLOUS PO-  
7 SITIONS.—This paragraph shall not apply to a  
8 request for referral to the Internal Revenue  
9 Service Independent Office of Appeals which is  
10 not granted on the basis that the issue involved  
11 is a frivolous position (within the meaning of  
12 section 6702(e)).

13           “(6) STAFF.—

14           “(A) IN GENERAL.—All personnel in the  
15 Internal Revenue Service Independent Office of  
16 Appeals shall report to the Chief of Appeals.

17           “(B) ACCESS TO STAFF OF OFFICE OF  
18 THE CHIEF COUNSEL.—The Chief of Appeals  
19 shall have authority to obtain legal assistance  
20 and advice from the staff of the Office of the  
21 Chief Counsel. The Chief Counsel shall ensure  
22 that such assistance and advice is provided by  
23 staff of the Office of the Chief Counsel who  
24 were not involved in the case with respect to  
25 which such assistance and advice is sought and

1           who are not involved in preparing such case for  
2           litigation.

3           “(7) ACCESS TO CASE FILES.—

4                   “(A) IN GENERAL.—In the case of any  
5           taxpayer with respect to which a conference  
6           with the Internal Revenue Service Independent  
7           Office of Appeals has been scheduled, the Chief  
8           of Appeals shall ensure that such taxpayer is  
9           provided access to the nonprivileged portions of  
10          the case file on record regarding the disputed  
11          issues not later than 10 days before the date of  
12          such conference.

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

18          (b) CONFORMING AMENDMENTS.—

19                  (1) The following provisions are each amended  
20          by striking “Internal Revenue Service Office of Ap-  
21          peals” and inserting “Internal Revenue Service  
22          Independent Office of Appeals”:

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

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



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

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

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

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

6 (G) Subsections (a), (b)(1), (b)(2), and  
7 (c)(1) of section 7123.

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

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

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

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

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

18 (c) OTHER REFERENCES.—Any reference in any pro-  
19 vision of law, or regulation or other guidance, to the Inter-  
20 nal Revenue Service Office of Appeals shall be treated as  
21 a reference to the Internal Revenue Service Independent  
22 Office of Appeals.

23 (d) SAVINGS PROVISIONS.—Rules similar to the rules  
24 of paragraphs (2) through (6) of section 1001(b) of the  
25 Internal Revenue Service Restructuring and Reform Act

1 of 1998 shall apply for purposes of this section (and the  
2 amendments made by this section).

3 (e) EFFECTIVE DATE.—The amendments made by  
4 this section shall take effect on the date of the enactment  
5 of this Act.

## 6 **TITLE II—IMPROVED SERVICE**

### 7 **SEC. 201. COMPREHENSIVE CUSTOMER SERVICE STRAT-** 8 **EGY.**

9 Not later than the date which is 1 year after the date  
10 of the enactment of this Act, the Secretary of the Treas-  
11 ury, after consultation with the National Taxpayer Advo-  
12 cate, shall submit to Congress a written comprehensive  
13 customer service strategy for the Internal Revenue Serv-  
14 ice. Such strategy shall include—

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

22 (2) a thorough assessment of the services that  
23 the Internal Revenue Service can co-locate with  
24 other Federal services or offer as self-service op-  
25 tions,

1           (3) proposals to improve Internal Revenue Serv-  
2           ice customer service in the short term (the current  
3           and following fiscal year), medium term (approx-  
4           imately 3 to 5 fiscal years), and long term (approx-  
5           imately 10 fiscal years), and

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

9   **SEC. 202. RETURN PREPARATION PROGRAMS FOR LOW-IN-**  
10                                   **COME TAXPAYERS.**

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

13   **“SEC. 7526A. RETURN PREPARATION PROGRAMS FOR LOW-**  
14                                   **INCOME TAXPAYERS.**

15           “(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX  
16           ASSISTANCE MATCHING GRANT PROGRAM.—The Sec-  
17           retary shall establish a Community Volunteer Income Tax  
18           Assistance Matching Grant Program under which the Sec-  
19           retary may, subject to the availability of appropriated  
20           funds, make grants to provide matching funds for the de-  
21           velopment, expansion, or continuation of qualified return  
22           preparation programs assisting low-income taxpayers and  
23           members of underserved populations.

24           “(b) USE OF FUNDS.—

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

4                   “(A) ordinary and necessary costs associ-  
5                   ated with program operation in accordance with  
6                   cost principles under the applicable Office of  
7                   Management and Budget circular, including—

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

10                           “(ii) developing training materials,  
11                           conducting training, and performing qual-  
12                           ity reviews of the returns prepared under  
13                           the program,

14                           “(iii) equipment purchases, and

15                           “(iv) vehicle-related expenses associ-  
16                           ated with remote or rural tax preparation  
17                           services,

18                           “(B) outreach and educational activities  
19                           described in subsection (c)(2)(B), and

20                           “(C) services related to financial education  
21                           and capability, asset development, and the es-  
22                           tablishment of savings accounts in connection  
23                           with tax return preparation.

24           “(2) REQUIREMENT OF MATCHING FUNDS.—A  
25           qualified return preparation program must provide

1 matching funds on a dollar-for-dollar basis for all  
2 grants provided under this section. Matching funds  
3 may include—

4 “(A) the salary (including fringe benefits)  
5 of individuals performing services for the pro-  
6 gram, and

7 “(B) the cost of equipment used in the  
8 program.

9 Indirect expenses, including general overhead of any  
10 entity administering the program, shall not be  
11 counted as matching funds.

12 “(c) APPLICATION.—

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

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

21 “(A) assistance to low-income taxpayers,  
22 with emphasis on outreach to, and services for,  
23 such taxpayers,

24 “(B) taxpayer outreach and educational  
25 activities relating to eligibility and availability

1 of income supports available through this title,  
2 including the earned income tax credit, and

3 “(C) specific outreach and focus on one or  
4 more underserved populations.

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

10 “(d) PROGRAM ADHERENCE.—

11 “(1) IN GENERAL.—The Secretary shall estab-  
12 lish procedures for, and shall conduct not less fre-  
13 quently than once every 5 calendar years during  
14 which a qualified return preparation program is op-  
15 erating under a grant under this section, periodic  
16 site visits—

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

19 “(B) to determine whether the program  
20 meets such program adherence standards as the  
21 Secretary shall by regulation or other guidance  
22 prescribe.

23 “(2) ADDITIONAL REQUIREMENTS FOR GRANT  
24 RECIPIENTS NOT MEETING PROGRAM ADHERENCE

1       STANDARDS.—In the case of any qualified return  
2       preparation program which—

3               “(A) is awarded a grant under this section,  
4               and

5               “(B) is subsequently determined—

6                       “(i) not to meet the program adher-  
7                       ence standards described in paragraph  
8                       (1)(B), or

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

11       such program shall not be eligible for any additional  
12       grants under this section unless such program pro-  
13       vides sufficient documentation of corrective meas-  
14       ures established to address any such deficiencies de-  
15       termined.

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

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

20                      “(A) which provides assistance to individ-  
21                      uals, not less than 90 percent of whom are low-  
22                      income taxpayers, in preparing and filing Fed-  
23                      eral income tax returns,

24                      “(B) which is administered by a qualified  
25                      entity,

1           “(C) in which all volunteers who assist in  
2 the preparation of Federal income tax returns  
3 meet the training requirements prescribed by  
4 the Secretary, and

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

7           “(2) QUALIFIED ENTITY.—

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

10           “(i) is an eligible organization,

11           “(ii) is in compliance with Federal tax  
12 filing and payment requirements,

13           “(iii) is not debarred or suspended  
14 from Federal contracts, grants, or coopera-  
15 tive agreements, and

16           “(iv) agrees to provide documentation  
17 to substantiate any matching funds pro-  
18 vided pursuant to the grant program under  
19 this section.

20           “(B) ELIGIBLE ORGANIZATION.—The term  
21 ‘eligible organization’ means—

22           “(i) an institution of higher education  
23 which is described in section 102 (other  
24 than subsection (a)(1)(C) thereof) of the  
25 Higher Education Act of 1965 (20 U.S.C.



1 1002), as in effect on the date of the en-  
2 actment of this section, and which has not  
3 been disqualified from participating in a  
4 program under title IV of such Act,

5 “(ii) an organization described in sec-  
6 tion 501(c) and exempt from tax under  
7 section 501(a),

8 “(iii) a local government agency, in-  
9 cluding—

10 “(I) a county or municipal gov-  
11 ernment agency, and

12 “(II) an Indian tribe, as defined  
13 in section 4(13) of the Native Amer-  
14 ican Housing Assistance and Self-De-  
15 termination Act of 1996 (25 U.S.C.  
16 4103(13)), including any tribally des-  
17 igned housing entity (as defined in  
18 section 4(22) of such Act (25 U.S.C.  
19 4103(22))), tribal subsidiary, subdivi-  
20 sion, or other wholly owned tribal en-  
21 tity,

22 “(iv) a local, State, regional, or na-  
23 tional coalition (with one lead organization  
24 which meets the eligibility requirements of

1 clause (i), (ii), or (iii) acting as the appli-  
2 cant organization), or

3 “(v) in the case of a low-income tax-  
4 payers and members of underserved popu-  
5 lations with respect to which no organiza-  
6 tions described in the preceding clauses are  
7 available—

8 “(I) a State government agency,  
9 or

10 “(II) an office providing Cooper-  
11 ative Extension services (as estab-  
12 lished at the land-grant colleges and  
13 universities under the Smith-Lever  
14 Act of May 8, 1914).

15 “(3) LOW-INCOME TAXPAYERS.—The term ‘low-  
16 income taxpayer’ means a taxpayer whose income  
17 for the taxable year does not exceed an amount  
18 equal to the completed phaseout amount under sec-  
19 tion 32(b) for a married couple filing a joint return  
20 with 3 or more qualifying children, as determined in  
21 a revenue procedure or other published guidance.

22 “(4) UNDERSERVED POPULATION.—The term  
23 ‘underserved population’ includes populations of per-  
24 sons with disabilities, persons with limited English  
25 proficiency, Native Americans, individuals living in

1 rural areas, members of the Armed Forces and their  
2 spouses, and the elderly.

3 “(f) SPECIAL RULES AND LIMITATIONS.—

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

8 “(2) AGGREGATE LIMITATION.—Unless other-  
9 wise provided by specific appropriation, the Sec-  
10 retary shall not allocate more than \$30,000,000 per  
11 fiscal year (exclusive of costs of administering the  
12 program) to grants under this section.

13 “(g) PROMOTION OF PROGRAMS.—

14 “(1) IN GENERAL.—The Secretary shall pro-  
15 mote tax preparation through qualified return prepa-  
16 ration programs through the use of mass commu-  
17 nications and other means.

18 “(2) PROVISION OF INFORMATION REGARDING  
19 QUALIFIED RETURN PREPARATION PROGRAMS.—The  
20 Secretary may provide taxpayers information regard-  
21 ing qualified return preparation programs receiving  
22 grants under this section.

23 “(3) VITA GRANTEE REFERRAL.—Qualified re-  
24 turn preparation programs receiving a grant under

1 this section are encouraged, in appropriate cases,  
2 to—

3 “(A) advise taxpayers of the availability of,  
4 and eligibility requirements for receiving, advice  
5 and assistance from qualified low-income tax-  
6 payer clinics receiving funding under section  
7 7526, and

8 “(B) provide information regarding the lo-  
9 cation of, and contact information for, such  
10 clinics.”.

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

“7526A. Return preparation programs for low-income taxpayers.”.

14 **SEC. 203. IRS FREE FILE PROGRAM.**

15 (a) IN GENERAL.—

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

23 (2) The IRS Free File Program shall continue  
24 to provide free commercial-type online individual in-  
25 come tax preparation and electronic filing services to

1 the lowest 70 percent of taxpayers by income. The  
2 number of taxpayers eligible to receive such services  
3 each year shall be calculated by the Internal Rev-  
4 enue Service annually based on prior year aggregate  
5 taxpayer adjusted gross income data.

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

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

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

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

1 experience with completing and filing individual income  
2 tax returns through voluntary compliance.

3 **SEC. 204. LOW-INCOME EXCEPTION FOR PAYMENTS OTHER-**  
4 **WISE REQUIRED IN CONNECTION WITH A**  
5 **SUBMISSION OF AN OFFER-IN-COMPROMISE.**

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

8 “(3) EXCEPTION FOR LOW-INCOME TAX-  
9 PAYERS.—Paragraph (1), and any user fee otherwise  
10 required in connection with the submission of an  
11 offer-in-compromise, shall not apply to any offer-in-  
12 compromise with respect to a taxpayer who is an in-  
13 dividual whose income does not exceed 250 percent  
14 of the applicable poverty level (as determined by the  
15 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 **SEC. 205. NOTICE FROM IRS REGARDING CLOSURE OF TAX-**  
20 **PAYER ASSISTANCE CENTERS.**

21 Not later than 90 days before the date that a pro-  
22 posed closure of a Taxpayer Assistance Center would take  
23 effect, the Secretary of the Treasury, or the Secretary’s  
24 delegate, shall—

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

3                   (A) identifies the Taxpayer Assistance  
4           Center proposed for closure and the date of  
5           such proposed closure, and

6                   (B) identifies the relevant alternative  
7           sources of taxpayer assistance which may be  
8           utilized by taxpayers affected by such proposed  
9           closure, and

10           (2) submit to Congress a written report that in-  
11           cludes the information included in the notice de-  
12           scribed in paragraph (1), the reasons for such pro-  
13           posed closure, and such other information as the  
14           Secretary may determine appropriate.

15 **SEC. 206. PROVISION OF INFORMATION REGARDING LOW-**  
16 **INCOME TAXPAYER CLINICS.**

17           Section 7526(c) is amended by adding at the end the  
18           following new paragraph:

19                   “(6) PROVISION OF INFORMATION REGARDING  
20           QUALIFIED LOW-INCOME TAXPAYER CLINICS.—Not-  
21           withstanding any other provision of law, officers and  
22           employees of the Department of the Treasury may—

23                           “(A) advise taxpayers of the availability of,  
24                           and eligibility requirements for receiving, advice  
25                           and assistance from qualified low-income tax-

1 payer clinics receiving funding under this sec-  
2 tion, and

3 “(B) provide information regarding the lo-  
4 cation of, and contact information for, such  
5 clinics.”.

6 **TITLE III—SENSIBLE**  
7 **ENFORCEMENT**

8 **SEC. 301. INTERNAL REVENUE SERVICE SEIZURE REQUIRE-**  
9 **MENTS WITH RESPECT TO STRUCTURING**  
10 **TRANSACTIONS.**

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

13 (1) by striking “Any property” and inserting  
14 the following:

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

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

17 “(B) INTERNAL REVENUE SERVICE SEI-  
18 ZURE REQUIREMENTS WITH RESPECT TO  
19 STRUCTURING TRANSACTIONS.—

20 “(i) PROPERTY DERIVED FROM AN IL-  
21 LEGAL SOURCE.—Property may only be  
22 seized by the Internal Revenue Service  
23 pursuant to subparagraph (A) by reason of  
24 a claimed violation of section 5324 if the  
25 property to be seized was derived from an



1 illegal source or the funds were structured  
2 for the purpose of concealing the violation  
3 of a criminal law or regulation other than  
4 section 5324.

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

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

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

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

1                   “(iv) POST-SEIZURE HEARING.—If a  
2                   person with a property interest in property  
3                   seized pursuant to subparagraph (A) by  
4                   the Internal Revenue Service requests a  
5                   hearing by a court of competent jurisdic-  
6                   tion within 30 days after the date on which  
7                   notice is provided under subclause (ii),  
8                   such property shall be returned unless the  
9                   court holds an adversarial hearing and  
10                  finds within 30 days of such request (or  
11                  such longer period as the court may pro-  
12                  vide, but only on request of an interested  
13                  party) that there is probable cause to be-  
14                  lieve that there is a violation of section  
15                  5324 involving such property and probable  
16                  cause to believe that the property to be  
17                  seized was derived from an illegal source or  
18                  the funds were structured for the purpose  
19                  of concealing the violation of a criminal  
20                  law or regulation other than section  
21                  5324.”.

1 **SEC. 302. EXCLUSION OF INTEREST RECEIVED IN ACTION**  
2 **TO RECOVER PROPERTY SEIZED BY THE IN-**  
3 **TERNAL REVENUE SERVICE BASED ON**  
4 **STRUCTURING TRANSACTION.**

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

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

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

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

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

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

1 **SEC. 303. CLARIFICATION OF EQUITABLE RELIEF FROM**  
2 **JOINT LIABILITY.**

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

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

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

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

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

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

16 “(f) EQUITABLE RELIEF.—

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

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

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

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

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

4                   “(A) has not been paid, provided that such  
5           request is made before the expiration of the ap-  
6           plicable period of limitation under section 6502,  
7           or

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

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

15          **SEC. 304. RULES FOR SEIZURE OF PERISHABLE GOODS RE-**  
16   **STRICTED TO ONLY PERISHABLE GOODS.**

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

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

1 **SEC. 305. 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. 306. ESTABLISHMENT OF INCOME THRESHOLD FOR**  
17 **REFERRAL TO PRIVATE DEBT COLLECTION.**

18 (a) IN GENERAL.—Section 6306(d)(3) is amended by  
19 striking “or” at the end of subparagraph (C), by adding  
20 “or” at the end of subparagraph (D), and by inserting  
21 after subparagraph (D) the following new subparagraph:

22 “(E) a taxpayer whose household income  
23 does not exceed 250 percent of the applicable  
24 poverty level (as determined by the Sec-  
25 retary),”.

1 (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to tax receivables identified by the  
3 Secretary (or the Secretary’s delegate) after the date of  
4 the enactment of this Act.

5 **SEC. 307. REFORM OF NOTICE TO CONTACT THIRD PAR-**  
6 **TIES.**

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

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

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

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

23 Nothing in the preceding sentence shall prevent the  
24 issuance of notices to the same taxpayer with respect  
25 to the same tax liability with periods specified there-

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

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

15 **SEC. 308. MODIFICATION OF AUTHORITY TO ISSUE DES-**  
16 **IGNATED SUMMONS.**

17 (a) IN GENERAL.—Clause (i) of section  
18 6503(j)(2)(A) is amended to read as follows:

19 “(i) the issuance of such summons is  
20 preceded by a review and written approval  
21 of such issuance by the Administrator of  
22 the relevant operating division of the Inter-  
23 nal Revenue Service and the relevant divi-  
24 sion counsel of the Office of Chief Coun-  
25 sel—



1                   “(I) which clearly establishes  
2                   that the Secretary has made reason-  
3                   able requests for the information that  
4                   is the subject of the summons, and  
5                   “(II) which is attached to such  
6                   summons,”.

7           (b) BURDEN OF PROOF REGARDING REASONABLE  
8 REQUEST FOR INFORMATION.—Subsection (j) of section  
9 6503 is amended by adding at the end the following new  
10 paragraph:

11                   “(4) BURDEN OF PROOF REGARDING REASON-  
12                   ABLE REQUEST FOR INFORMATION.—In any court  
13                   proceeding described in paragraph (3), the Secretary  
14                   shall bear the burden of proving that the Secretary  
15                   has made reasonable requests for the information  
16                   that is the subject of the summons.”.

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

20 **SEC. 309. LIMITATION ON ACCESS OF NON-INTERNAL REV-**  
21 **ENUE SERVICE EMPLOYEES TO RETURNS**  
22 **AND RETURN INFORMATION.**

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

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

13       (b) EFFECTIVE DATE.—

14           (1) IN GENERAL.—Except as provided in para-  
15 graph (2), the amendment made by this section shall  
16 take effect on the date of the enactment of this Act.

17           (2) APPLICATION TO CONTRACTS IN EFFECT.—

18       The amendment made by this section shall apply to  
19 any contract in effect under section 6103(n) of the  
20 Internal Revenue Code of 1986, pursuant to tem-  
21 porary Treasury Regulation section 301.7602–1T  
22 proposed in Internal Revenue Bulletin 2014–28,  
23 Treasury Regulation section 301.7602–1(b)(3), or  
24 any similar or successor regulation, that is in effect  
25 on the date of the enactment of this Act.

1 **TITLE IV—CYBER SECURITY AND**  
2 **IDENTITY PROTECTION**

3 **SEC. 401. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS**  
4 **IDENTITY THEFT REFUND FRAUD.**

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

9 **SEC. 402. RECOMMENDATIONS OF ELECTRONIC TAX AD-**  
10 **MINISTRATION ADVISORY COMMITTEE RE-**  
11 **GARDING IDENTITY THEFT REFUND FRAUD.**

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

20 **SEC. 403. INFORMATION SHARING AND ANALYSIS CENTER.**

21 (a) IN GENERAL.—The Secretary of the Treasury (or  
22 the Secretary's delegate) shall participate in an informa-  
23 tion sharing and analysis center to centralize, standardize,  
24 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) is amended  
10 by adding at the end the following new paragraph:

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

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

1                   “(B) SPECIFIED ISAC PARTICIPANTS.—For  
2 purposes of this paragraph—

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

5                   “(I) any person involved in  
6 hosting and maintaining the informa-  
7 tion sharing and analysis center de-  
8 scribed in section 403(a) of the Tax-  
9 payer First Act, and

10                   “(II) any person subject to the  
11 requirements of section 7216 and  
12 which is a participant in such infor-  
13 mation sharing and analysis center.

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

1                   “(C) SPECIFIED RETURN INFORMATION.—

2                   For purposes of this paragraph, the term ‘spec-

3                   ified return information’ means—

4                   “(i) in the case of a return filed elec-

5                   tronically which is in connection with a

6                   case of potential identity theft refund

7                   fraud, return information related to the

8                   electronic filing characteristics of such re-

9                   turn including the internet protocol ad-

10                  dress, device identification, email domain

11                  name, speed of completion, method of au-

12                  thentication, and refund method, and

13                  “(ii) in the case of a return which is

14                  in connection with a case of a identity

15                  theft refund fraud which has been con-

16                  firmed by the Secretary (pursuant to such

17                  procedures as the Secretary may provide),

18                  the name and taxpayer identification num-

19                  ber of the taxpayer as it appears on the re-

20                  turn and any bank account and routing in-

21                  formation provided for making a refund in

22                  connection with such return.

23                  “(D) RESTRICTION ON USE OF DISCLOSED

24                  INFORMATION.—

1                   “(i) TECHNOLOGICAL SUPPORT OF IN-  
2                   FORMATION SHARING AND ANALYSIS CEN-  
3                   TER.—Any return information received by  
4                   a person described in subparagraph  
5                   (B)(i)(I) shall be used only for the pur-  
6                   poses of and to the extent necessary in—

7                   “(I) providing technological sup-  
8                   port with respect to the information  
9                   sharing and analysis center referred  
10                  to in such subparagraph, and

11                  “(II) facilitating the disclosure  
12                  described in subparagraph (A) to per-  
13                  sons described in subparagraph  
14                  (B)(i)(II).

15                  “(ii) RETURN PREPARERS.—Any re-  
16                  turn information received by a person de-  
17                  scribed in subparagraph (B)(i)(II) shall be  
18                  treated for purposes of section 7216 as in-  
19                  formation described in paragraphs (1) and  
20                  (2) of subsection (a) of such section and  
21                  subsection (b)(1) of such section shall not  
22                  apply to such information.

23                  “(E) DATA PROTECTION AND SAFE-  
24                  GUARDS.—Return information disclosed under  
25                  this section shall be subject to such protections

1 and safeguards as the Secretary may require in  
2 regulations or other guidance or in the written  
3 agreement referred to in subparagraph  
4 (B)(ii).”.

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

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

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

12 **SEC. 404. SINGLE POINT OF CONTACT FOR IDENTITY THEFT**  
13 **VICTIMS.**

14 (a) IN GENERAL.—The Secretary of the Treasury (or  
15 the Secretary’s delegate) shall establish and implement  
16 procedures to ensure that any taxpayer whose return has  
17 been delayed or otherwise adversely affected due to iden-  
18 tity theft has a single point of contact at the Internal Rev-  
19 enue Service throughout the processing of the taxpayer’s  
20 case. The single point of contact shall track the taxpayer’s  
21 case to completion and coordinate with other specialized  
22 units to resolve case issues as quickly as possible.

23 (b) SINGLE POINT OF CONTACT.—



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

4                   (A) have the ability to work across func-  
5                   tions to resolve the issues involved in the tax-  
6                   payer’s case, and

7                   (B) shall be accountable for handling the  
8                   case until its resolution.

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

14                   (A) ensure continuity of records and case  
15                   history, and

16                   (B) notify the taxpayer when appropriate.

17 **SEC. 405. IDENTITY PROTECTION PERSONAL IDENTIFICA-**  
18 **TION NUMBERS.**

19           The Secretary of the Treasury (or the Secretary’s  
20           delegate) shall establish a program to issue, upon the re-  
21           quest of any individual, a number which may be used in  
22           connection with such individual’s social security number  
23           (or other identifying information with respect to such indi-  
24           vidual) to assist the Secretary in verifying such individ-  
25           ual’s identity.

1 **SEC. 406. COMPLIANCE BY CONTRACTORS WITH CONFIDEN-**  
2 **TIALITY SAFEGUARDS.**

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

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

11 “(A) has requirements in effect which re-  
12 quire each such contractor or other agent which  
13 would have access to returns or return informa-  
14 tion to provide safeguards (within the meaning  
15 of paragraph (4)) to protect the confidentiality  
16 of such returns or return information,

17 “(B) agrees to conduct an on-site review  
18 every 3 years (or a mid-point review in the case  
19 of contracts or agreements of less than 3 years  
20 in duration) of each contractor or other agent  
21 to determine compliance with such require-  
22 ments,

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

1           “(D) certifies to the Secretary for the most  
2           recent annual period that such contractor or  
3           other agent is in compliance with all such re-  
4           quirements.

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

13          (b)           CONFORMING            AMENDMENT.—Section  
14          6103(p)(8)(B) is amended by inserting “or paragraph  
15          (9)” after “subparagraph (A)”.

16          (c) EFFECTIVE DATE.—

17               (1) IN GENERAL.—The amendments made by  
18               this section shall apply to disclosures made after the  
19               date of the enactment of this Act.

20               (2) CERTIFICATIONS.—The first certification  
21               under section 6103(p)(9)(D) of the Internal Revenue  
22               Code of 1986, as added by subsection (a), shall be  
23               made with respect to the portion of calendar year  
24               2018 following the date of the enactment of this  
25               Act.

1           **TITLE V—MODERNIZATION**  
2           **Subtitle A—Development of**  
3           **Information Technology**

4   **SEC. 501. MANAGEMENT OF INTERNAL REVENUE SERVICE**  
5           **INFORMATION TECHNOLOGY.**

6           (a) DUTIES AND RESPONSIBILITIES OF INTERNAL  
7 REVENUE SERVICE CHIEF INFORMATION OFFICER.—Sec-  
8 tion 7803, as amended by section 101, is amended by add-  
9 ing at the end the following new subsection:

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

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

19           “(2) CENTRALIZED RESPONSIBILITY FOR IN-  
20 TERNAL REVENUE SERVICE INFORMATION TECH-  
21 NOLOGY.—The Administrator of the Internal Rev-  
22 enue Service (and the Secretary) shall act through  
23 the IRS CIO with respect to all development, imple-  
24 mentation, and maintenance of information tech-  
25 nology for the Internal Revenue Service. Any ref-

1       erence in this subsection to the IRS CIO which di-  
2       rects the IRS CIO to take any action, or to assume  
3       any responsibility, shall be treated as a reference to  
4       the Administrator of the Internal Revenue Service  
5       acting through the IRS CIO.

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

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

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

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

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

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

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

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

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

5 “(5) SCOPE OF AUTHORITY.—

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

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

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

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

23 (b) INDEPENDENT VERIFICATION AND VALIDATION  
24 OF THE CUSTOMER ACCOUNT DATA ENGINE 2 AND EN-  
25 TERPRISE CASE MANAGEMENT SYSTEM.—The Adminis-

1 trator of the Internal Revenue Service shall enter into a  
2 contract with an independent reviewer to verify and vali-  
3 date the implementation plans (including the performance  
4 milestones and cost estimates included in such plans) de-  
5 veloped for the Customer Account Data Engine 2 and the  
6 Enterprise Case Management System. Such contract shall  
7 require that such verification and validation be completed  
8 not later than the date which is 1 year after the date of  
9 the enactment of this Act.

10 (c) COORDINATION OF IRS CIO AND CHIEF PRO-  
11 CUREMENT OFFICER OF THE INTERNAL REVENUE SERV-  
12 ICE.—

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

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

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



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

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

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

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

19   **SEC. 502. DEVELOPMENT OF ONLINE ACCOUNTS AND POR-**  
20                   **TALS.**

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

24                   (1) develop secure individualized online ac-  
25                   counts to provide services to taxpayers and their

1 designated return preparers, including obtaining tax-  
2 payer information, making payment of taxes, shar-  
3 ing documentation, and addressing and correcting  
4 issues, and

5 (2) develop a process for the acceptance of tax  
6 forms, and supporting documentation, in digital or  
7 other electronic format.

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

12 (1) are a supplement to, and not a replacement  
13 for, other services provided by the Internal Revenue  
14 Service to taxpayers, including face-to-face taxpayer  
15 assistance and services provided by phone, and

16 (2) comply with applicable security standards  
17 developed by the National Institute of Standards  
18 and Technology.

19 (c) DEADLINE FOR DEVELOPING ONLINE AC-  
20 COUNTS.—The Secretary shall make every reasonable ef-  
21 fort to make the secure individualized online accounts de-  
22 scribed in subsection (a)(1) available to taxpayers by De-  
23 cember 31, 2023.

1 **SEC. 503. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

2 (a) IN GENERAL.—Not later than January 1, 2021,  
3 the Secretary of the Treasury or the Secretary’s delegate  
4 (hereafter referred to in this section as the “Secretary”)  
5 shall make available an Internet website or other elec-  
6 tronic media, with a user interface and functionality simi-  
7 lar to the Business Services Online Suite of Services pro-  
8 vided by the Social Security Administration, that will pro-  
9 vide taxpayers access to resources and guidance provided  
10 by the Internal Revenue Service and will allow taxpayers  
11 to—

12 (1) prepare and file Forms 1099,

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

16 (3) create and maintain necessary taxpayer  
17 records.

18 (b) ELECTRONIC SERVICES TREATED AS SUPPLE-  
19 MENTAL; APPLICATION OF SECURITY STANDARDS.—The  
20 Secretary shall ensure that the services described in sub-  
21 section (a)—

22 (1) are a supplement to, and not a replacement  
23 for, other services provided by the Internal Revenue  
24 Service to taxpayers, and

1           (2) comply with applicable security standards  
2           developed by the National Institute of Standards  
3           and Technology.

4       **Subtitle B—Modernization of Con-**  
5       **sent-based Income Verification**  
6       **System**

7       **SEC. 511. DISCLOSURE OF TAXPAYER INFORMATION FOR**  
8                               **THIRD-PARTY INCOME VERIFICATION.**

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

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

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

19          (b) QUALIFIED DISCLOSURE.—For purposes of this  
20          section, the term “qualified disclosure” means a disclosure  
21          under section 6103(c) of the Internal Revenue Code of  
22          1986 of returns or return information by the Secretary  
23          to a person seeking to verify the income of a taxpayer who  
24          is a borrower in the process of a loan application.

1           (c) APPLICATION OF SECURITY STANDARDS.—The  
2 Secretary shall ensure that the program described in sub-  
3 section (a) complies with applicable security standards de-  
4 veloped by the National Institute of Standards and Tech-  
5 nology.

6           (d) USER FEE.—

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

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

1 **SEC. 512. LIMIT REDISCLOSURES AND USES OF CONSENT-**  
2 **BASED DISCLOSURES OF TAX RETURN INFOR-**  
3 **MATION.**

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

12 (b) APPLICATION OF PENALTIES.—Section  
13 6103(a)(3) is amended by inserting “subsection (c),” after  
14 “return information under”.

15 (c) EFFECTIVE DATE.—The amendment made by  
16 this section shall apply to disclosures made after the date  
17 of the enactment of this Act.

18 **Subtitle C—Expanded Use of**  
19 **Electronic Systems**

20 **SEC. 521. ELECTRONIC FILING OF RETURNS.**

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

24 (b) APPLICABLE NUMBER.—Section 6011(e) is  
25 amended by adding at the end the following new para-  
26 graph:

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

4           “(A) in the case of calendar years before  
5 2021, 250,

6           “(B) in the case of calendar year 2021,  
7 200,

8           “(C) in the case of calendar year 2022,  
9 150,

10          “(D) in the case of calendar year 2023,  
11 100,

12          “(E) in the case of calendar year 2024, 50,  
13 and

14          “(F) in the case of calendar years after  
15 2024, 10.”.

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

19           “(D) EXCEPTION FOR CERTAIN PREPARES  
20 LOCATED IN AREAS WITHOUT INTERNET AC-  
21 CESS.—The Secretary may waive the require-  
22 ment of subparagraph (A) if the Secretary de-  
23 termines, on the basis of an application by the  
24 tax return preparer, that the preparer cannot  
25 meet such requirement by reason of being lo-

1 cated in a geographic area which does not have  
2 access to internet service (other than dial-up or  
3 satellite service).”.

4 (d) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect on the date of the enactment  
6 of this Act.

7 **SEC. 522. MANDATORY ELECTRONIC FILING FOR ANNUAL**  
8 **RETURNS OF EXEMPT ORGANIZATIONS.**

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

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

15 (b) INSPECTION OF ELECTRONICALLY FILED AN-  
16 NUAL RETURNS.—Section 6104(b) is amended by adding  
17 at the end the following: “Any annual return required to  
18 be filed electronically under section 6033(n) shall be made  
19 available by the Secretary to the public in machine read-  
20 able format.”.

21 (c) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as provided in para-  
23 graph (2), the amendments made by this section  
24 shall apply to returns filed for taxable years begin-  
25 ning after the date of the enactment of this Act.



1 (2) TRANSITIONAL RELIEF.—

2 (A) SMALL ORGANIZATIONS.—

3 (i) IN GENERAL.—In the case of any  
4 small organizations, or any other organiza-  
5 tions for which the Secretary of the Treas-  
6 ury or the Secretary’s delegate (hereafter  
7 referred to in this paragraph as the “Sec-  
8 retary”) determines the application of the  
9 amendments made by subsection (a) would  
10 cause undue burden without a delay, the  
11 Secretary may delay the application of  
12 such amendments, but not later than tax-  
13 able years beginning 2 years after the date  
14 of the enactment of this Act.

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

18 (I) the gross receipts of which for  
19 the taxable year are less than  
20 \$200,000, and

21 (II) the aggregate gross assets of  
22 which at the end of the taxable year  
23 are less than \$500,000.

24 (B) ORGANIZATIONS FILING FORM 990-  
25 T.—In the case of any organization described

1 in section 511(a)(2) of the Internal Revenue  
2 Code of 1986 which is subject to the tax im-  
3 posed by section 511(a)(1) of such Code on its  
4 unrelated business taxable income, or any orga-  
5 nization required to file a return under section  
6 6033 of such Code and include information  
7 under subsection (e) thereof, the Secretary may  
8 delay the application of the amendments made  
9 by this section, but not later than taxable years  
10 beginning 2 years after the date of the enact-  
11 ment of this Act.

12 **SEC. 523. UNIFORM STANDARDS FOR THE USE OF ELEC-**  
13 **TRONIC SIGNATURES FOR DISCLOSURE AU-**  
14 **THORIZATIONS TO, AND OTHER AUTHORIZA-**  
15 **TIONS OF, PRACTITIONERS.**

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

17 “(3) PUBLISHED GUIDANCE.—

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

23 “(B) ELECTRONIC SIGNATURES FOR DIS-  
24 CLOSURE AUTHORIZATIONS TO, AND OTHER AU-  
25 THORIZATIONS OF, PRACTITIONERS.—Not later

1 than 6 months after the date of the enactment  
2 of this subparagraph, the Secretary shall pub-  
3 lish guidance to establish uniform standards  
4 and procedures for the acceptance of taxpayers'  
5 signatures appearing in electronic form with re-  
6 spect to any request for disclosure of a tax-  
7 payer's return or return information under sec-  
8 tion 6103(c) to a practitioner or any power of  
9 attorney granted by a taxpayer to a practi-  
10 tioner.

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

16 **SEC. 524. PAYMENT OF TAXES BY DEBIT AND CREDIT**  
17 **CARDS.**

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

1 shall seek to minimize the amount of any fee or other con-  
2 sideration that the Secretary pays under any such con-  
3 tract.”.

## 4 **Subtitle D—Organizational** 5 **Modernization**

### 6 **SEC. 531. MODIFICATION OF TITLE OF COMMISSIONER OF** 7 **INTERNAL REVENUE AND RELATED OFFI-** 8 **CIALS.**

9 (a) IN GENERAL.—Section 7803(a)(1)(A) is amended  
10 by striking “Commissioner of Internal Revenue” and in-  
11 serting “Administrator of the Internal Revenue Service”.

12 (b) CONFORMING AMENDMENTS RELATED TO SEC-  
13 TION 7803.—

14 (1) Subsections (a)(1)(B), (a)(1)(C), (b)(3),  
15 (c)(1)(B)(i), and (c)(1)(B)(ii) of section 7803 are  
16 each amended by striking “Commissioner of Internal  
17 Revenue” and inserting “Administrator of the Inter-  
18 nal Revenue Service”.

19 (2) Section 7803(b)(2)(A) is amended by strik-  
20 ing “Commissioner’s” and inserting “Administra-  
21 tor’s”.

22 (3) Subsections (a)(1)(D), (a)(1)(E), (a)(2),  
23 (a)(3), (a)(4), (b)(2)(A), (b)(2)(D), (b)(3),  
24 (c)(2)(B)(iii), (c)(2)(C)(iv), and (c)(3) of section  
25 7803, as amended by the preceding paragraphs of

1 this subsection, are amended by striking “Commis-  
2 sioner” each place it appears therein and inserting  
3 “Administrator”.

4 (4) The heading of section 7803 is amended by  
5 striking “**COMMISSIONER OF INTERNAL REV-**  
6 **ENUE**” and inserting “**ADMINISTRATOR OF THE**  
7 **INTERNAL REVENUE SERVICE**”.

8 (5) The heading of section 7803(a) is amended  
9 by striking “COMMISSIONER OF INTERNAL REV-  
10 ENUE” and inserting “ADMINISTRATOR OF THE IN-  
11 TERNAL REVENUE SERVICE”.

12 (6) The heading of section 7803(c)(3) is  
13 amended by striking “COMMISSIONER” and inserting  
14 “ADMINISTRATOR”.

15 (7) The table of sections for subchapter A of  
16 chapter 80 is amended by striking the item relating  
17 to section 7803 and inserting the following new  
18 item:

“Sec. 7803. Administrator of the Internal Revenue Service; other officials.”.

19 (c) OTHER CONFORMING AMENDMENTS TO THE IN-  
20 TERNAL REVENUE CODE OF 1986.—

21 (1) Section 6307(c) is amended by striking  
22 “Commissioner of Internal Revenue” and inserting  
23 “Administrator of the Internal Revenue Service”.

24 (2) Section 6673(a)(2)(B) is amended by strik-  
25 ing “Commissioner of Internal Revenue” and insert-

1       ing “Administrator of the Internal Revenue Serv-  
2       ice”.

3           (3) Section 6707(c) is amended by striking  
4       “Commissioner” and inserting “Administrator”.

5           (4) Section 6707A(d) is amended—

6               (A) in paragraph (1), by striking “Com-  
7       missioner of Internal Revenue” and inserting  
8       “Administrator of the Internal Revenue Serv-  
9       ice”, and

10               (B) in paragraph (3), by striking “Com-  
11       missioner” each place it appears and inserting  
12       “Administrator”.

13           (5)(A) Subsections (a) and (g) of section 7345  
14       are each amended by striking “Commissioner of In-  
15       ternal Revenue” and inserting “Administrator of the  
16       Internal Revenue Service”.

17           (B) Section 7345(g) is amended—

18               (i) by striking “Deputy Commissioner for  
19       Services and Enforcement” and inserting “Dep-  
20       uty Administrator for Services and Enforce-  
21       ment”, and

22               (ii) by striking “Commissioner of an oper-  
23       ating division” and inserting “Administrator of  
24       an operating division”.

1           (C) Subsections (c)(1), (d) and (e)(1) of section  
2       7345 are each amended by striking “Commissioner”  
3       each place it appears therein and inserting “Admin-  
4       istrator”.

5           (6) Section 7435(e) is amended by striking  
6       “Commissioner” each place it appears therein and  
7       inserting “Administrator”.

8           (7) Section 7409(a)(2)(B) is amended by strik-  
9       ing “Commissioner of Internal Revenue” and insert-  
10      ing “Administrator of the Internal Revenue Serv-  
11      ice”.

12          (8) Section 7608(c) is amended—

13           (A) in paragraph (1), by striking “the  
14      Commissioner of Internal Revenue (or, if des-  
15      ignated by the Commissioner, the Deputy Com-  
16      missioner or an Assistant Commissioner of In-  
17      ternal Revenue)” and inserting “the Adminis-  
18      trator of the Internal Revenue Service (or, if  
19      designated by the Administrator, the Deputy  
20      Administrator or an Assistant Administrator of  
21      the Internal Revenue Service)”, and

22           (B) in paragraph (2) by striking “Commis-  
23      sioner” and inserting “Administrator”.

1           (9) Section 7611(b)(3)(C) is amended by strik-  
2           ing “regional commissioner” and inserting “regional  
3           administrator”.

4           (10) Section 7701(a)(13) is amended to read as  
5           follows:

6           “(13) ADMINISTRATOR.—The term ‘Adminis-  
7           trator’, except where the context clearly indicates  
8           otherwise, means the Administrator of the Internal  
9           Revenue Service.”.

10          (11)(A) Section 7804(a) is amended by striking  
11          “Commissioner of Internal Revenue” and inserting  
12          “Administrator of the Internal Revenue Service”.

13          (B) Subsections (a), (b)(1), and (b)(2) of sec-  
14          tion 7804(a), as amended by subparagraph (A), are  
15          each amended by striking “Commissioner” each  
16          place it appears therein and inserting “Adminis-  
17          trator”.

18          (12) Section 7811(c)(1) is amended by striking  
19          “the Commissioner of Internal Revenue, or the Dep-  
20          uty Commissioner of Internal Revenue” and insert-  
21          ing “the Administrator of the Internal Revenue  
22          Service, or the Deputy Commissioner of the Internal  
23          Revenue Service”.

24          (d) AMENDMENTS TO SECTION 8D OF THE INSPEC-  
25          TOR GENERAL ACT OF 1978.—



1           (1) Subsections (g)(2), (k)(1)(C), (l)(1), and  
2           (l)(2)(A) of section 8D of the Inspector General Act  
3           of 1978 are each amended by striking “Commis-  
4           sioner of Internal Revenue” and inserting “Adminis-  
5           trator of the Internal Revenue Service”.

6           (2) Section 8D(l)(2)(B) of such Act is amended  
7           by striking “Commissioner” each place it appears  
8           therein and inserting “Administrator”.

9           (e) OTHER REFERENCES.—Any reference in any pro-  
10          vision of law, or regulation or other guidance, to the Com-  
11          missioner of Internal Revenue, or to any Deputy or Assist-  
12          ant Commissioner of Internal Revenue, or to a Commis-  
13          sioner of any division or region of the Internal Revenue  
14          Service, shall be treated as a reference to the Adminis-  
15          trator of the Internal Revenue Service, or to the appro-  
16          priate Deputy or Assistant Administrator of the Internal  
17          Revenue Service, or to the appropriate Administrator of  
18          such division or region, respectively.

19          (f) CONTINUITY.—In the case of any individual ap-  
20          pointed by the President, by and with the advice and con-  
21          sent of the Senate, as Commissioner of Internal Revenue  
22          under section 7803(a)(1)(A) of the Internal Revenue Code  
23          of 1986, and serving in such position immediately before  
24          the date of the enactment of this Act, the amendments

1 made by this section shall be construed as changing the  
2 title of such individual and shall not be construed to—

3 (1) require the reappointment of such individual  
4 under such section, or

5 (2) alter the remaining term of such person  
6 under section 7803(a)(1)(B).

7 **SEC. 532. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.**

8 (a) TAXPAYER ADVOCATE DIRECTIVES.—

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

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

16 “(A) the Administrator or a Deputy Ad-  
17 ministrator shall modify, rescind, or ensure  
18 compliance with such directive not later than 90  
19 days after the issuance of such directive, and

20 “(B) in the case of any directive which is  
21 modified or rescinded by a Deputy Adminis-  
22 trator, the National Taxpayer Advocate may  
23 (not later than 90 days after such modification  
24 or rescission) appeal to the Administrator and  
25 the Administrator shall (not later than 90 days

1 after such appeal is made) ensure compliance  
2 with such directive as issued by the National  
3 Taxpayer Advocate or provide the National  
4 Taxpayer Advocate with a detailed description  
5 of the reasons for any modification or rescission  
6 made or upheld by the Administrator pursuant  
7 to such appeal.”.

8 (2) REPORT TO CERTAIN COMMITTEES OF CON-  
9 GRESS REGARDING DIRECTIVES.—Section  
10 7803(c)(2)(B)(ii) is amended by redesignating sub-  
11 clauses (VIII) through (XI) as subclauses (IX)  
12 through (XII), respectively, and by inserting after  
13 subclause (VII) the following new subclause:

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

19 (b) NATIONAL TAXPAYER ADVOCATE ANNUAL RE-  
20 PORTS TO CONGRESS.—

21 (1) INCLUSION OF MOST SERIOUS TAXPAYER  
22 PROBLEMS.—Section 7803(c)(2)(B)(ii)(III) is  
23 amended by striking “at least 20” and inserting  
24 “the 10”.

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

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

15      (3) STATISTICAL SUPPORT.—

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

19      “(d) STATISTICAL SUPPORT FOR NATIONAL TAX-  
20      PAYER ADVOCATE.—The Secretary shall, upon request of  
21      the National Taxpayer Advocate, provide the National  
22      Taxpayer Advocate with statistical support in connection  
23      with the preparation by the National Taxpayer Advocate  
24      of the annual report described in section  
25      7803(c)(2)(B)(ii). Such statistical support shall include

1 statistical studies, compilations, and the review of infor-  
2 mation provided by the National Taxpayer Advocate for  
3 statistical validity and sound statistical methodology.”.

4 (B) DISCLOSURE OF REVIEW.—Section  
5 7803(c)(2)(B)(ii), as amended by subsection  
6 (a), is amended by redesignating subclause  
7 (XII) as subclause (XIII) and by inserting after  
8 subclause (XI) the following new subclause:

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

19 (C) CONFORMING AMENDMENT.—Section  
20 7803(c)(2)(B)(iii) is amended by adding at the  
21 end the following: “The preceding sentence  
22 shall not apply with respect to statistical infor-  
23 mation provided to the Secretary for review, or  
24 received from the Secretary, under section  
25 6108(d).”.

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

5 **SEC. 533. ELIMINATION OF IRS OVERSIGHT BOARD.**

6 (a) IN GENERAL.—Subchapter A of chapter 80 is  
7 amended by striking section 7802 (and by striking the  
8 item relating to such section in the table of sections of  
9 such subchapter).

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 4946(c) is amended by adding “or”  
12 at the end of paragraph (5), by striking “, or” at  
13 the end of paragraph (6) and inserting a period, and  
14 by striking paragraph (7).

15 (2) Section 6103(h) is amended by striking  
16 paragraph (6).

17 (3) Section 7803(a) is amended by striking  
18 paragraph (4).

19 (4) Section 7803(c)(1)(B)(ii) is amended by  
20 striking “and the Oversight Board”.

21 (5) Section 7803(c)(2)(B)(iii) is amended by  
22 striking “the Oversight Board,”.

23 (6) Section 8D of the Inspector General Act of  
24 1978 is amended—

1 (A) in subsections (g)(2) and (h), by strik-  
2 ing “the Internal Revenue Service Oversight  
3 Board and”,

4 (B) in subsection (l)(1), by striking “or the  
5 Internal Revenue Service Oversight Board”,  
6 and

7 (C) in subsection (l)(2), by striking “and  
8 the Internal Revenue Service Oversight Board”.

9 **SEC. 534. AUTHORITY TO MODERNIZE THE ORGANIZATION**  
10 **OF THE INTERNAL REVENUE SERVICE.**

11 Paragraph (3) of section 1001(a) of the Internal Rev-  
12 enue Service Restructuring and Reform Act of 1998 shall  
13 cease to apply beginning 1 year after the date on which  
14 the Administrator of the Internal Revenue Service submits  
15 to Congress a comprehensive plan to modify the organiza-  
16 tion of the Internal Revenue Service. In the preparation  
17 of such plan, the Administrator shall consider whether the  
18 Criminal Division of the Internal Revenue Service should  
19 report directly to the Administrator.

20 **TITLE VI—TAX COURT**

21 **SEC. 601. DISQUALIFICATION OF JUDGE OR MAGISTRATE**  
22 **JUDGE OF THE TAX COURT.**

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

1 **“SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE**  
2 **JUDGE OF THE TAX COURT.**

3 “Section 455 of title 28, United States Code, shall  
4 apply to judges and magistrate judges of the Tax Court  
5 and to proceedings of the Tax Court.”.

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

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

9 **SEC. 602. OPINIONS AND JUDGMENTS.**

10 (a) IN GENERAL.—Section 7459 is amended by strik-  
11 ing all the precedes subsection (c) and inserting the fol-  
12 lowing:

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

14 “(a) REQUIREMENT.—An opinion upon any pro-  
15 ceeding instituted before the Tax Court and a judgment  
16 thereon shall be made as quickly as practicable. The judg-  
17 ment shall be made by a judge in accordance with the  
18 opinion of the Tax Court, and such judgment so made  
19 shall, when entered, be the judgment of the Tax Court.

20 “(b) INCLUSION OF FINDINGS OF FACT IN OPIN-  
21 ION.—It shall be the duty of the Tax Court and of each  
22 division to include in its opinion or memorandum opinion  
23 upon any proceeding, its findings of fact. The Tax Court  
24 shall issue in writing all of its findings of fact, opinions,  
25 and memorandum opinions. Subject to such conditions as



1 the Tax Court may by rule provide, the requirements of  
2 this subsection and of section 7460 are met if findings  
3 of fact or opinion are stated orally and recorded in the  
4 transcript of the proceedings.”.

5 (b) CONFORMING AMENDMENTS TO SECTION  
6 7459.—

7 (1) Subsections (c), (d), (e), and (f) of section  
8 7459 are each amended by striking “decision” each  
9 place it appears and inserting “judgment”.

10 (2) The headings of subsections (c), (d), and (e)  
11 are each amended by striking “DECISION” and in-  
12 serting “JUDGMENT”.

13 (3) The following provisions are each amended  
14 by striking “decision” and inserting “judgment”:

15 (A) Section 1313(a)(1).

16 (B) Section 6213(a).

17 (C) Section 6214(d).

18 (D) Section 6225(a)(2).

19 (E) Section 6226(g).

20 (F) Section 6228(a)(6).

21 (G) Subsections (a)(3)(B) and (c)(1)(A)(ii)

22 of section 6230.

23 (H) Section 6247(d).

24 (I) Section 6252(e).

25 (J) Section 6404(h)(2)(C).

1 (K) Section 6503(a)(1).

2 (L) Section 6673(a)(1)(C).

3 (M) Subsections (e), (f), and (g) of section  
4 6861.

5 (N) Section 6863(b)(3)(C).

6 (O) Section 7428(a).

7 (P) Section 7428(e)(1)(C)(i).

8 (Q) Paragraphs (1) and (3) of section  
9 7430(f)(1).

10 (R) Section 7436(c)(2).

11 (S) Section 7461(b)(2).

12 (T) Subsections (a)(4), (b), and (d) of sec-  
13 tion 7463.

14 (U) Subsections (a)(2)(B) and (b)(4) of  
15 section 7476.

16 (V) Section 7477(a).

17 (W) Section 7478(a)(2).

18 (X) Subsections (a)(2) and (c) of section  
19 7479.

20 (4) The following provisions are each amended  
21 by striking “decision” each place it appears and in-  
22 serting “judgment”:

23 (A) Subsections (a) and (b)(3) of section  
24 6215.

25 (B) Section 6226(h).

1 (C) Section 6247(e).

2 (D) Subsections (d) and (e) of section  
3 6861.

4 (E) Section 6863(b)(2).

5 (F) Section 7422.

6 (G) Section 7430(f)(2).

7 (H) Subsections (a) and (b) of section  
8 7460.

9 (I) Subsections (a), (b), (c), and (d) of sec-  
10 tion 7463.

11 (J) Section 7482.

12 (K) Section 7483.

13 (L) Section 7485(b).

14 (M) Section 7481.

15 (5) Section 7487(1) is amended by striking  
16 “decisions” and inserting “judgments”.

17 (6) Sections 7422 and 7482 are each amended  
18 by striking “decisions” each place it appears and in-  
19 serting “judgments”.

20 (7) Subsections (a) and (b) of section 7460 are  
21 each amended by striking “report” each place it ap-  
22 pears and inserting “opinion”.

23 (8) Section 7461(a) is amended—

24 (A) by striking “reports” and inserting  
25 “opinions”, and

1 (B) by striking “report” and inserting  
2 “opinion”.

3 (9) Section 7462 is amended by striking “re-  
4 ports” each place it appears and inserting “opin-  
5 ions”.

6 (10) The headings of sections 6214(b),  
7 7463(b), 7481(a), 7481(b), 7481(d), and 7485(b)  
8 are each amended by striking “DECISIONS” and in-  
9 serting “JUDGMENTS”.

10 (11) The headings of sections 6226(h), 6247(e),  
11 6861(c), 6861(d), 7443A(c), 7481(a)(2), and  
12 7481(a)(3) are each amended by striking “DECI-  
13 SION” and inserting “JUDGMENT”.

14 (12) The headings of sections 6863(b)(2),  
15 6863(b)(3), 7430(f)(3), and 7482(a)(2)(B) are each  
16 amended by striking “DECISION” and inserting  
17 “JUDGMENT”.

18 (13) The heading of section 7436(c)(2) is  
19 amended by striking “DECISIONS” and inserting  
20 “JUDGMENT”.

21 (14) The heading of section 7460(a) is amend-  
22 ed by striking “REPORTS” and inserting “OPIN-  
23 IONS”.

1 (15) The heading of section 7462 is amended  
2 by striking “**REPORTS**” and inserting “**OPIN-**  
3 **IONS**”.

4 (16) The heading of subchapter D of chapter  
5 76 is amended by striking “**Decisions**” and insert-  
6 ing “**Judgments**”.

7 (17) The heading of section 7481 is amended  
8 by striking “**DECISION**” and inserting “**JUDG-**  
9 **MENT**”.

10 (18) The item relating to section 7459 in the  
11 table of sections for part II of subchapter C of chap-  
12 ter 76 is amended to read as follows:

“Sec. 7459. Opinions and judgments.”.

13 (19) The item relating to section 7462 in the  
14 table of sections for part II of subchapter C of chap-  
15 ter 76 is amended to read as follows:

“Sec. 7462. Publication of opinions.”.

16 (20) The item relating to subchapter D in the  
17 table of subchapters for chapter 76 is amended to  
18 read as follows:

“SUBCHAPTER D.—COURT REVIEW OF TAX COURT JUDGMENTS”.

19 (21) The item relating to section 7481 in the  
20 table of sections for part III of subchapter D of  
21 chapter 76 is amended to read as follows:

“Sec. 7481. Date when Tax Court judgment becomes final.”.

1 (c) CONTINUING EFFECT OF LEGAL DOCUMENTS.—

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

11 **SEC. 603. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO**  
12 **MAGISTRATE JUDGE OF THE TAX COURT.**

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

14 (1) by striking “special trial judges” in sub-  
15 sections (a) and (e) and inserting “magistrate  
16 judges of the Tax Court”,

17 (2) by striking “special trial judges of the  
18 court” in subsection (b) and inserting “magistrate  
19 judges of the Tax Court”, and

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

23 (b) CONFORMING AMENDMENTS.—

24 (1) The heading of section 7443A is amended  
25 by striking “**SPECIAL TRIAL JUDGES**” and insert-

1 ing **“MAGISTRATE JUDGES OF THE TAX**  
2 **COURT”**.

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

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

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

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

12 (5) Section 7448 is amended—

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

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

21 (6) Section 7448(n) is amended—

22 (A) by striking “special trial judge which  
23 are allowable” and inserting “magistrate judge  
24 of the Tax Court which are allowable”, and

1 (B) by striking “special trial judge of the  
2 Tax Court” both places it appears and inserting  
3 “magistrate judge of the Tax Court”.

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

8 (8) The item relating to section 7448 in the  
9 table of sections for part I of subchapter C of chap-  
10 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.”

11 (9) Section 7456(a) is amended—

12 (A) by striking “special trial judge” each  
13 place it appears and inserting “magistrate  
14 judge”, and

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

17 (10) Section 7466(a) is amended by striking  
18 “special trial judge” and inserting “magistrate  
19 judge”.

20 (11) Section 7470A is amended by striking  
21 “special trial judges” both places it appears in sub-  
22 sections (a) and (b) and inserting “magistrate  
23 judges”.



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

4           (13) Section 7471(c) is amended—

5                 (A) by striking “SPECIAL TRIAL JUDGES”  
6 in the heading and inserting “MAGISTRATE  
7 JUDGES OF THE TAX COURT”, and

8                 (B) by striking “special trial judges” and  
9 inserting “magistrate judges”.

10 **SEC. 604. REPEAL OF DEADWOOD RELATED TO BOARD OF**  
11 **TAX APPEALS.**

12           (a) Section 7459 is amended by striking subsection  
13 (f) and redesignating subsection (g) as subsection (f).

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

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