

S 3156

Taxpayer Protection Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Jul 12, 2016

Current Status: Placed on Senate Legislative Calendar under General Orders. Calendar No. 554.

Latest Action: Placed on Senate Legislative Calendar under General Orders. Calendar No. 554. (Jul 12, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/senate-bill/3156>

Sponsor

Name: Sen. Hatch, Orrin G. [R-UT]

Party: Republican • **State:** UT • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Reported Original Measure	Jul 12, 2016

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
114 HR 3724	Related bill	Apr 25, 2016: Received in the Senate and Read twice and referred to the Committee on Finance.
114 S 2439	Related bill	Jan 12, 2016: Read twice and referred to the Committee on Finance.
114 S 2345	Related bill	Dec 2, 2015: Read twice and referred to the Committee on Finance.
114 HR 811	Related bill	Feb 9, 2015: Referred to the House Committee on Ways and Means.
114 S 400	Related bill	Feb 5, 2015: Read twice and referred to the Committee on Finance.

Taxpayer Protection Act of 2016

This bill amends the Internal Revenue Code to modify requirements regarding tax assessment and collection procedures, assistance provided to individuals in filing tax returns, whistle-blower protections, Internal Revenue Service (IRS) employment policies, tax-exempt organizations, and protecting taxpayers from identity theft and tax fraud.

The bill extends the time limit for contesting an IRS levy and holds individuals harmless for making certain contributions to retirement plans after an improper levy on a retirement plan.

The bill establishes several requirements to assist taxpayers in filing returns, including:

- establishing a permanent Community Volunteer Income Tax Assistance Matching Grant Program,
- limiting redisclosures and uses of consent-based disclosures of tax return information,
- modifying rules regarding equitable relief from joint liability,
- limiting user fees for installment agreements,
- requiring the IRS to notify Congress prior to closing a Taxpayer Assistance Center, and
- requiring the Department of Defense to take certain actions to identify and recover severance payments that were improperly withheld from veterans with combat-related injuries.

The bill requires the Government Accountability Office (GAO) and the Treasury Inspector General for Tax Administration to report on whistle-blower awards. It also modifies requirements regarding: disclosures to whistle-blowers, updates on whistle-blower investigations, and anti-retaliation whistle-blower protections for employees.

The bill revises IRS employment policies to:

- establish electronic record retention requirements;
- prohibit the rehiring of former IRS employees who were removed for misconduct;
- provide the IRS with additional authorities to remove or transfer senior executives based on performance or misconduct;
- bar the IRS from delegating to third-party contractors the authority to examine books and records, summon persons, or take sworn testimony related to a tax matter; and
- require the Department of the Treasury to notify taxpayers regarding certain unauthorized inspections or disclosures of returns and return information.

The bill modifies policies for tax-exempt organizations to:

- expand electronic filing requirements,
- repeal the substantiation exception for charitable contributions reported by donee organizations,
- prohibit the IRS from targeting U.S. citizens for exercising any right guaranteed under the First Amendment to the U.S. Constitution, and
- require the IRS to notify a tax-exempt organization prior to revoking its tax-exempt status for failing to file information returns.

The bill also requires the IRS to take several actions to protect taxpayers from identity theft and tax fraud, including: establishing a single point of contact for identity theft victims, providing taxpayers who call the IRS with information on

identity theft and tax scams, and providing specified notifications and information to suspected victims of identity theft.

The GAO must submit reports to Congress regarding:

- IRS authority to compromise tax matters;
- opportunities for hearings by the IRS Office of Appeals;
- phones and in-person services provided by the IRS to taxpayers residing in certain areas with populations of less than 50,000; and
- federal employee wage and tax withholding reporting to state tax agencies.

The IRS must report to Congress on the status of efforts to expand online taxpayer services.

The Treasury Inspector General for Tax Administration must submit reports to Congress regarding: (1) IRS audit criteria, and (2) technological solutions to help protect taxpayers from telephone calls from individuals who are falsely claiming to be calling from or on behalf of the IRS.

Actions Timeline

- **Jul 12, 2016:** Introduced in Senate
- **Jul 12, 2016:** Committee on Finance. Original measure reported to Senate by Senator Hatch. With written report No. 114-298.
- **Jul 12, 2016:** Placed on Senate Legislative Calendar under General Orders. Calendar No. 554.