

## HR 3981

### Identity Theft and Tax Fraud Prevention Act of 2015

**Congress:** 114 (2015–2017, Ended)

**Chamber:** House

**Policy Area:** Crime and Law Enforcement

**Introduced:** Nov 5, 2015

**Current Status:** Referred to the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations.

**Latest Action:** Referred to the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations. (Dec 4, 2015)

**Official Text:** <https://www.congress.gov/bill/114th-congress/house-bill/3981>

## Sponsor

**Name:** Rep. Pascrell, Bill, Jr. [D-NJ-9]

**Party:** Democratic • **State:** NJ • **Chamber:** House

## Cosponsors (7 total)

Cosponsor	Party / State	Role	Date Joined
Rep. Blumenauer, Earl [D-OR-3]	D · OR		Nov 5, 2015
Rep. Larson, John B. [D-CT-1]	D · CT		Nov 5, 2015
Rep. Thompson, Mike [D-CA-5]	D · CA		Nov 5, 2015
Rep. Rangel, Charles B. [D-NY-13]	D · NY		Dec 2, 2015
Rep. Speier, Jackie [D-CA-14]	D · CA		Feb 9, 2016
Rep. Johnson, Henry C. "Hank," Jr. [D-GA-4]	D · GA		Apr 12, 2016
Rep. Lewis, John [D-GA-5]	D · GA		Apr 19, 2016

## Committee Activity

Committee	Chamber	Activity	Date
Appropriations Committee	House	Referred To	Nov 5, 2015
Energy and Commerce Committee	House	Referred to	Nov 6, 2015
Financial Services Committee	House	Referred To	Nov 5, 2015
Judiciary Committee	House	Referred to	Dec 4, 2015
Ways and Means Committee	House	Referred To	Nov 5, 2015

## Subjects & Policy Tags

### Policy Area:

Crime and Law Enforcement

## Related Bills

Bill	Relationship	Last Action
114 HR 3568	Related bill	<b>Sep 18, 2015:</b> Referred to the House Committee on Ways and Means.
114 S 676	Related bill	<b>Mar 9, 2015:</b> Read twice and referred to the Committee on Finance.
114 S 137	Related bill	<b>Jan 8, 2015:</b> Read twice and referred to the Committee on Finance. (Sponsor introductory remarks on measure: CR S103-104; text of measure as introduced: CR S104)

## **Identity Theft and Tax Fraud Prevention Act of 2015**

This bill requires the Internal Revenue Service (IRS) to: (1) establish a plan to reduce the administrative time required to process and resolve cases of identity theft in connection with tax returns and refunds to no more than 90 days, on average; (2) ensure that taxpayers who have been adversely affected by identity theft have a single point of contact at the IRS; (3) issue a personal identification number to any individual requesting protection from identity theft-related fraud after such individual's true identity has been established and verified; (4) implement a program to prevent the processing of a tax return by an identity thief; and (5) issue regulations that restrict the delivery or deposit of multiple tax refunds to the same individual account or mailing address in the same tax year

The bill amends the Public Health Service Act to require the Health Information Technology Policy Committee to develop, incorporate, and report on a plan to provide for a reliable nationwide health information technology infrastructure that does not use a Social Security account number for data matching, coordination of benefits, billing, and research purposes.

The bill amends the federal criminal code to prohibit the display, sale, or purchase of Social Security account numbers without the consent of the account holder.

The bill: (1) imposes restrictions on the use of prepaid debit cards for tax refunds; (2) imposes criminal penalties for obtaining a Social Security number for purposes of locating or identifying an individual with the intent to physically injure, harm, or use the identity of an individual for any illegal purpose; (3) provides for civil remedies to enjoin and recover losses from violations of this Act; and (4) sets forth civil penalties for such violations.

The bill amends the Internal Revenue Code to: (1) require notification to a taxpayer if there has been an unauthorized use of such taxpayer's identity or if a person has been criminally charged for such unauthorized use; (2) impose a criminal penalty for willful misappropriation of another person's taxpayer identity; (3) increase the civil and criminal penalties for unauthorized disclosure of taxpayer information by paid tax return preparers; (4) allow the use of an identifying number, instead of a Social Security account number, for an employee on a W-2 form; and (5) impose a penalty on tax return preparers who fail to verify the identity of a taxpayer who is filing a tax return or claiming a refund.

The IRS may transfer appropriated funds to be used solely to prevent, detect, and resolve potential cases of tax fraud.

The IRS must: (1) establish in the Criminal Investigation Division of the IRS the position of Local Law Enforcement Liaison to coordinate the investigation of tax-related identity theft and fraud with state and local law enforcement agencies, (2) establish a program to verify the identity of any individual opening an e-Services account with the IRS, and (3) report to Congress on options for creating a tax system that reduces burdens on taxpayers and decreases tax fraud through real-time information matching.

The bill grants the Department of the Treasury: (1) enhanced authority to regulate and sanction paid tax return preparers, and (2) access to information in the National Directory of New Hires for purposes of administering the tax code.

## **Actions Timeline**

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- **Dec 4, 2015:** Referred to the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations.
- **Nov 6, 2015:** Referred to the Subcommittee on Health.
- **Nov 5, 2015:** Introduced in House
- **Nov 5, 2015:** Referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce, the Judiciary, Financial Services, and Appropriations, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.