

HR 3151

Taxpayer First Act

Congress: 116 (2019–2021, Ended)

Chamber: House

Policy Area: Taxation

Introduced: Jun 6, 2019

Current Status: Became Public Law No: 116-25.

Latest Action: Became Public Law No: 116-25. (Jul 1, 2019)

Law: 116-25 (Enacted Jul 1, 2019)

Official Text: <https://www.congress.gov/bill/116th-congress/house-bill/3151>

Sponsor

Name: Rep. Lewis, John [D-GA-5]

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

Cosponsors (28 total)

Cosponsor	Party / State	Role	Date Joined
Del. Norton, Eleanor Holmes [D-DC-At Large]	D · DC		Jun 6, 2019
Rep. Boyle, Brendan F. [D-PA-2]	D · PA		Jun 6, 2019
Rep. Brady, Kevin [R-TX-8]	R · TX		Jun 6, 2019
Rep. Buchanan, Vern [R-FL-16]	R · FL		Jun 6, 2019
Rep. Chu, Judy [D-CA-27]	D · CA		Jun 6, 2019
Rep. Davis, Danny K. [D-IL-7]	D · IL		Jun 6, 2019
Rep. DelBene, Suzan K. [D-WA-1]	D · WA		Jun 6, 2019
Rep. Evans, Dwight [D-PA-3]	D · PA		Jun 6, 2019
Rep. Gomez, Jimmy [D-CA-34]	D · CA		Jun 6, 2019
Rep. Higgins, Brian [D-NY-26]	D · NY		Jun 6, 2019
Rep. Hill, Katie [D-CA-25]	D · CA		Jun 6, 2019
Rep. Holding, George [R-NC-2]	R · NC		Jun 6, 2019
Rep. Horsford, Steven [D-NV-4]	D · NV		Jun 6, 2019
Rep. Kelly, Mike [R-PA-16]	R · PA		Jun 6, 2019
Rep. LaHood, Darin [R-IL-18]	R · IL		Jun 6, 2019
Rep. Larson, John B. [D-CT-1]	D · CT		Jun 6, 2019
Rep. Moore, Gwen [D-WI-4]	D · WI		Jun 6, 2019
Rep. Murphy, Stephanie N. [D-FL-7]	D · FL		Jun 6, 2019
Rep. Neal, Richard E. [D-MA-1]	D · MA		Jun 6, 2019
Rep. Ocasio-Cortez, Alexandria [D-NY-14]	D · NY		Jun 6, 2019
Rep. Sánchez, Linda T. [D-CA-38]	D · CA		Jun 6, 2019
Rep. Schneider, Bradley Scott [D-IL-10]	D · IL		Jun 6, 2019
Rep. Sewell, Terri A. [D-AL-7]	D · AL		Jun 6, 2019
Rep. Suozzi, Thomas R. [D-NY-3]	D · NY		Jun 6, 2019
Rep. Taylor, Van [R-TX-3]	R · TX		Jun 6, 2019
Rep. Walorski, Jackie [R-IN-2]	R · IN		Jun 6, 2019
Rep. Wenstrup, Brad R. [R-OH-2]	R · OH		Jun 6, 2019
Rep. Cohen, Steve [D-TN-9]	D · TN		Jun 10, 2019

Committee Activity

Committee	Chamber	Activity	Date
Budget Committee	House	Referred To	Jun 6, 2019
Financial Services Committee	House	Referred To	Jun 6, 2019
Ways and Means Committee	House	Referred To	Jun 6, 2019

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
116 HR 1957	Related bill	Aug 4, 2020: Became Public Law No: 116-152.
116 S 1876	Related bill	Jun 18, 2019: Read twice and referred to the Committee on Finance.
116 S 1099	Related bill	Apr 9, 2019: Read twice and referred to the Committee on Finance.
116 S 1100	Related bill	Apr 9, 2019: Read twice and referred to the Committee on Finance.
116 HR 2007	Related bill	Apr 1, 2019: Referred to the House Committee on Ways and Means.
116 S 928	Related bill	Mar 28, 2019: Read twice and referred to the Committee on Finance. (Sponsor introductory remarks on measure: CR S2091)
116 HR 1875	Related bill	Mar 26, 2019: Referred to the House Committee on Ways and Means.
116 HR 1825	Related bill	Mar 18, 2019: Referred to the House Committee on Ways and Means.
116 HR 1219	Related bill	Feb 14, 2019: Referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, 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.
116 S 240	Related bill	Jan 28, 2019: Read twice and referred to the Committee on Finance. (Sponsor introductory remarks on measure: CR S699-700)

Taxpayer First Act

This bill revises provisions relating to the Internal Revenue Service (IRS), its customer service, enforcement procedures, cybersecurity and identity protection, management of information technology, and use of electronic systems.

TITLE I--PUTTING TAXPAYERS FIRST

Subtitle A--Independent Appeals Process

(Sec. 1001) This subtitle establishes the Internal Revenue Service Independent Office of Appeals headed by a Chief of Appeals. The purpose of this office is to resolve federal tax controversies without litigation on a basis that is fair and impartial, promote consistent application of federal tax laws, and enhance public confidence in the IRS.

Subtitle B--Improved Service

(Sec. 1101) This section requires the Department of the Treasury to submit to Congress a written comprehensive customer service strategy for the IRS, including a plan to update guidance and training materials for IRS customer service employees.

(Sec. 1102) This section exempts low-income taxpayers from the requirement to submit a user fee with an offer-in-compromise.

Subtitle C--Sensible Enforcement

(Sec. 1201) This section revises provisions relating the seizure of property that has been structured to avoid Bank Secrecy Act requirements. It limits the seizure authority to property derived from an illegal source and provides due process safeguards to individuals with an ownership interest in such property.

(Sec. 1202) This section excludes from gross income, for income tax purposes, interest received in an action to recover property seized by the IRS based on a structuring transaction.

(Sec. 1203) This section revises requirements relating to equitable relief from joint liability for unpaid taxes.

(Sec. 1204) This section limits the authority of Treasury to issue third-party summons.

(Sec. 1205) This section restricts referrals of tax debts to private debt collection agencies, excluding taxpayers whose income consists of disability insurance benefits or other low-income taxpayers. The maximum length of installment agreements under tax collection contracts is extended from five to seven years.

(Sec. 1206) This section revises requirements for notice to a taxpayers of contacts with third parties relating to the determination or collection of the taxpayer's tax liability.

(Sec. 1207) This section revises requirements for the issuance of a designated summons for determining tax liability.

(Sec. 1208) This section limits access of non IRS officers or employees to tax returns and return information,

Subtitle D--Organizational Modernization

(Sec. 1301) This section permits modification of National Taxpayer Advocate directives. It also modifies reporting requirements of the National Taxpayer Advocate and requires Treasury to provide statistical support to the National Taxpayer Advocate in meeting such requirements.

(Sec. 1302) Treasury must submit to Congress by the end of FY2020 a written comprehensive plan to redesign the organization of the IRS.

Subtitle E--Other Provisions

(Sec. 1401) Treasury must establish a Community Volunteer Income Tax Assistance Matching Grant Program to make grants to provide tax return preparation assistance to certain low-income taxpayers.

(Sec. 1402) Treasury must provide information to taxpayers of the availability of low-income taxpayer clinics.

(Sec. 1403) The IRS must provide notice of the closure of Taxpayer Assistance Centers.

(Sec. 1404) The IRS may no longer immediately sell seized property merely if it is liable to become greatly reduced in price or value or cannot be kept without great expense.

(Sec. 1405) This section revises provisions relating to the disclosure of tax return information to whistle-blowers and retaliation against whistle-blowers by employers. IRS may disclose tax return information to whistle-blowers related to investigations for which the whistle-blower has provided information.

(Sec. 1406) The IRS must provide specified information to taxpayers placed on hold during a telephone call regarding common tax scams, where to report such scams, and additional advice on protection against identity theft and tax scams.

(Sec. 1407) The IRS must establish procedures to allow a taxpayer to report instances in which a tax refund made by electronic funds transfer was not transferred to the taxpayer's account.

TITLE II--21ST CENTURY IRS

Subtitle A--Cybersecurity and Identity Protection

(Sec. 2001) Treasury must (1) work collaboratively with the public and private sectors to protect taxpayers from identity theft refund fraud, (2) ensure that the Electronic Tax Administration Advisory Committee studies and makes recommendations on methods to prevent identity theft and refund fraud, (3) establish a program to issue an identity protection identification number to taxpayers, (4) establish a single point of contact in the IRS for taxpayers whose returns have been adversely affected due to a tax-related identity theft, (5) notify taxpayers of suspected identity theft, and (6) develop and implement publicly available guidelines for management of cases involving identity theft refund fraud.

(Sec. 2003) Treasury may participate in an information sharing and analysis center to enhance data and information with respect to identity theft and refund fraud.

(Sec. 2004) The IRS may not disclosure return information to contractors or federal, state, or local agencies unless such contractors or agencies have safeguards to protect the confidentiality of such information.

(Sec. 2009) This section increases civil and criminal penalties for improper disclosure or use of information by tax return preparers.

Subtitle B--Development of Information Technology

(Sec. 2101) This section establishes the position of Chief Information Officer in the IRS (IRS CIO). The IRS CIO shall be responsible for the development, implementation, and maintenance of information technology for the IRS.

(Sec. 2102) Treasury must make available an Internet platform for Form 1099 filings by January 1, 2023.

(Sec. 2103) This section provides for streamlined critical pay authority for IRS information technology positions.

Subtitle C--Modernization of Consent-Based Income Verification System

(Sec. 2201) Treasury must implement a program that ensures that any disclosure of tax information for third party income verification is fully automated and accomplished through the Internet in as close to real-time as practicable.

(Sec. 2202) This section prohibits persons who are granted consent by a taxpayer to receive return information from using it for a purpose other than the purpose for which consent was granted.

Subtitle D--Expanded Use of Electronic Systems

(Sec. 2301) This section expands the use of electronic systems for filing tax returns.

(Sec. 2302) Treasury must publish guidelines for the acceptance of taxpayer signatures appearing in electronic form with respect to any request for disclosure of return information.

(Sec. 2303) This section requires the IRS to recoup fees charged by credit card companies for payment of taxes by debit and credit cards.

(Sec. 2304) Treasury must verify the identity of any individual opening an e-Services account with the IRS before such individual may use e-Service tools.

Subtitle E--Other Provisions

(Sec.2401) Provisions relating to a return free tax system and related reporting requirements are repealed.

(Sec. 2402) The IRS must submit to Congress a comprehensive training strategy for IRS employees.

TITLE III--MISCELLANEOUS PROVISIONS

Subtitle A--Reform of Laws Governing Internal Revenue Service Employees

(Sec. 3001) The IRS may not rehire any former IRS employee whose employment was terminated for misconduct.

(Sec. 3002) Treasury must notify a taxpayer if an IRS employee has been disciplined for unauthorized inspection or disclosure of such taxpayer's return information.

Subtitle B--Provisions Relating to Exempt Organizations

(Sec. 3101) This section makes electronic filing of returns by tax-exempt organizations mandatory.

(Sec. 3102) The IRS must notify exempt organizations prior to revoking their tax exempt status for failure to file return information.

Subtitle C--Revenue Provision

(Sec. 3201) This section increases the monetary penalty for failure to file.

TITLE IV--BUDGETARY EFFECTS

(Sec. 4001) This title provides for the determination of the budgetary effects of this bill for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010.

Actions Timeline

- **Jul 1, 2019:** Signed by President.
- **Jul 1, 2019:** Became Public Law No: 116-25.
- **Jun 24, 2019:** Presented to President.
- **Jun 13, 2019:** Passed/agreed to in Senate: Passed Senate without amendment by Voice Vote.(consideration: CR S3626)
- **Jun 13, 2019:** Passed Senate without amendment by Voice Vote. (consideration: CR S3626)
- **Jun 11, 2019:** Received in the Senate, read twice.
- **Jun 10, 2019:** Mr. Lewis moved to suspend the rules and pass the bill.
- **Jun 10, 2019:** Considered under suspension of the rules. (consideration: CR H4352-4364)
- **Jun 10, 2019:** DEBATE - The House proceeded with forty minutes of debate on H.R. 3151.
- **Jun 10, 2019:** Passed/agreed to in House: On motion to suspend the rules and pass the bill Agreed to by voice vote.(text: CR H4352-4362)
- **Jun 10, 2019:** On motion to suspend the rules and pass the bill Agreed to by voice vote. (text: CR H4352-4362)
- **Jun 10, 2019:** Motion to reconsider laid on the table Agreed to without objection.
- **Jun 6, 2019:** Introduced in House
- **Jun 6, 2019:** Referred to the Committee on Ways and Means, and in addition to the Committees on the Budget, and Financial Services, 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.