

119TH CONGRESS
2D SESSION

H. R. 7959

To amend the Internal Revenue Code of 1986 to make improvements with respect to the treatment of whistleblowers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 2026

Mr. KELLY of Pennsylvania (for himself and Mr. THOMPSON of California) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to make improvements with respect to the treatment of whistleblowers, 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 “IRS Whistleblower Program Improvement Act”.

6 (b) AMENDMENT OF 1986 CODE.—Except as other-
7 wise expressly provided, whenever in this Act an amend-
8 ment is expressed in terms of an amendment to a section
9 or other provision, the reference shall be considered to be

1 made to a section or other provision of the Internal Rev-
 2 enue Code of 1986.

3 (c) REFERENCES TO SECRETARY.—For purposes of
 4 this Act, the term “Secretary” means the Secretary of the
 5 Treasury or the Secretary’s delegate.

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

- Sec. 1. Short title; etc.
- Sec. 2. Standard and scope of review of whistleblower award determinations.
- Sec. 3. Whistleblower privacy protections.
- Sec. 4. Modification of IRS whistleblower report.
- Sec. 5. Interest on whistleblower awards.
- Sec. 6. Correction regarding deductions for attorney’s fees.

8 **SEC. 2. STANDARD AND SCOPE OF REVIEW OF WHISTLE-**
 9 **BLOWER AWARD DETERMINATIONS.**

10 (a) IN GENERAL.—Paragraph (4) of section 7623(b)
 11 is amended—

12 (1) by striking “appealed to” and inserting “re-
 13 viewed by”, and

14 (2) by adding at the end the following: “Any re-
 15 view by the Tax Court under the preceding sentence
 16 shall be de novo and shall be based on the adminis-
 17 trative record established at the time of the original
 18 determination and any additional newly discovered
 19 or previously unavailable evidence.”.

20 (b) CONFORMING AMENDMENT.—The heading of
 21 paragraph (4) of section 7623(b) is amended by striking
 22 “APPEAL” and inserting “REVIEW”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to petitions under section
3 7623(b)(4) of the Internal Revenue Code of 1986 which
4 are pending on, or filed on or after, the date of the enact-
5 ment of this Act.

6 **SEC. 3. WHISTLEBLOWER PRIVACY PROTECTIONS.**

7 (a) IN GENERAL.—Paragraph (6) of section 7623(b)
8 is amended by adding at the end the following new sub-
9 paragraph:

10 “(D) WHISTLEBLOWER ANONYMITY BE-
11 FORE THE TAX COURT.—Notwithstanding sec-
12 tions 7458 and 7461, a whistleblower shall pro-
13 ceed anonymously before the Tax Court for all
14 proceedings under this section absent a finding
15 by the Tax Court that a societal interest exists
16 for disclosing the whistleblower’s identity which
17 exceeds the potential harm disclosure could
18 cause to the whistleblower.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to petitions filed with the Tax
21 Court which are pending on, or filed on or after, the date
22 of the enactment of this Act.

23 **SEC. 4. MODIFICATION OF IRS WHISTLEBLOWER REPORT.**

24 (a) IN GENERAL.—Section 406(c) of division A of the
25 Tax Relief and Health Care Act of 2006 is amended by

1 striking “such use,” in paragraph (1) and inserting “such
 2 use (which shall include a list and descriptions of the top
 3 tax avoidance schemes, not to exceed 10, disclosed by
 4 whistleblowers during such year),”.

5 (b) EFFECTIVE DATE.— The amendments made by
 6 this section shall apply to reports for fiscal years ending
 7 after the enactment of this Act.

8 **SEC. 5. INTEREST ON WHISTLEBLOWER AWARDS.**

9 (a) IN GENERAL.—Section 7623(b) is amended by
 10 adding at the end the following new paragraph:

11 “(7) INTEREST.—

12 “(A) IN GENERAL.—If the Secretary has
 13 not provided notice to an individual described in
 14 paragraph (1) of a preliminary award rec-
 15 ommendation before the applicable date, the
 16 amount of any award under this subsection
 17 shall include interest from such date at the
 18 overpayment rate under section 6621(a).

19 “(B) EXCEPTION.—No interest shall ac-
 20 crue under this paragraph after the date on
 21 which the Secretary provides notice to the indi-
 22 vidual of a preliminary award recommendation.

23 “(C) APPLICABLE DATE.—For purposes of
 24 this paragraph, the applicable date is the date

1 that is 12 months after the first date on
2 which—

3 “(i) all of the proceeds resulting from
4 actions subject to the award recommenda-
5 tion have been collected, and

6 “(ii) either—

7 “(I) the statutory period for fil-
8 ing a claim or suit for refund has ex-
9 pired, or

10 “(II) the taxpayers subject to the
11 actions and the Secretary have agreed
12 with finality to the tax or other liabil-
13 ities for the periods at issue, and ei-
14 ther the taxpayers have waived the
15 right to file a claim or suit for refund
16 or any claim or suit for refund has
17 been resolved.”.

18 (b) EFFECTIVE DATE.—

19 (1) IN GENERAL.—The amendments made by
20 this section shall take effect 180 days after the date
21 of the enactment of this Act.

22 (2) SPECIAL RULE.—If, as of the date de-
23 scribed in paragraph (1)—

24 (A) the Secretary has not provided notice
25 to the individual of a preliminary award rec-

1 ommendation as described in paragraph (7)(A)
2 of section 7623(b) of the Internal Revenue
3 Code of 1986, as added by this Act, and

4 (B) the applicable date provided in para-
5 graph (7)(C) of such section, as so added, has
6 passed,

7 the applicable date for purposes of such paragraph
8 (7)(C) is the date that is 12 months after the date
9 described in paragraph (1).

10 **SEC. 6. CORRECTION REGARDING DEDUCTIONS FOR AT-**
11 **TORNEY'S FEES.**

12 (a) IN GENERAL.—Section 62(a)(21)(A)(i) is amend-
13 ed by striking “7623(b)” and inserting “7623”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this subsection shall apply to taxable years ending after
16 the date of the enactment of this Act.

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