108TH CONGRESS
1ST SESSION
H. R. 1756

To amend the Internal Revenue Code of 1986 to require the abatement of interest on erroneous refund checks without regard to the size of the refund.

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2003

Ms. LORETTA SANCHEZ of California (for herself, Mr. MARKEY, Mr. PETERSON of Minnesota, Mr. DAVIS of Illinois, Ms. MILLENDER-MCDONALD, Mr. CARDOZA, Mr. EDWARDS, Ms. JACKSON-LEE of Texas, Mr. KIND, Mr. DOOLEY of California, Mr. MOORE, Mr. OLVER, Mr. LANTOS, Mr. HONDA, Mr. CROWLEY, Mr. EMANUEL, Mr. BRADY of Pennsylvania, Mr. FATTAH, Mr. HOLDEN, Mr. MURTHA, Mr. LARSON of Connecticut, Mr. DOYLE, and Mr. HOBSON) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to require the abatement of interest on erroneous refund checks without regard to the size of the refund.

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.**

4   This Act may be cited as the "Erroneous Tax Refund

5 Fairness Act".

SEC. 2. ABATEMENT OF INTEREST.

(a) ABATEMENT OF INTEREST WITH RESPECT TO ERRONEOUS REFUND CHECK WITHOUT REGARD TO SIZE OF REFUND.—Paragraph (2) of section 6404(e) of the Internal Revenue Code of 1986 is amended by striking "unless—" and all that follows and inserting "unless the taxpayer (or a related party) has in any way caused such erroneous refund. Notwithstanding the preceding sentence, the Secretary is authorized in his discretion not to abate all or any part of such interest if the Secretary establishes that the taxpayer received notice of the erroneous refund before the date of demand and the taxpayer did not attempt to resolve the issue with the Internal Revenue Service within 30 days after receipt of such notice.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to interest accruing on or after the date of the enactment of this Act.

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