

109TH CONGRESS
2D SESSION

H. R. 5084

To amend the Internal Revenue Code of 1986 to restrict the disclosure information by tax return preparers to third party entities and to prohibit private tax collection contracts.

IN THE HOUSE OF REPRESENTATIVES

APRIL 4, 2006

Mr. DINGELL 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 restrict the disclosure information by tax return preparers to third party entities and to prohibit private tax collection contracts.

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 “Taxpayer Privacy Pro-
5 tection Act of 2006”.

1 **SEC. 2. RESTRICTION ON DISCLOSURE OF INFORMATION**
2 **BY TAX RETURN PREPARERS TO THIRD**
3 **PARTY ENTITIES.**

4 (a) IN GENERAL.—Section 7216 of the Internal Rev-
5 enue Code of 1986 (relating to disclosure or use of infor-
6 mation by preparers of returns) is amended by adding at
7 the end the following new subsection:

8 “(c) PROHIBITION ON DISCLOSURE TO THIRD PARTY
9 ENTITIES.—A tax return preparer shall not disclose the
10 information described in subsection (a) to another tax re-
11 turn preparer, or to a person under contract with a tax
12 return preparer, for the purpose of performing auxiliary
13 services in connection with the preparation of returns of
14 the tax imposed by chapter 1.”.

15 (b) CONFORMING AMENDMENTS.—

16 (1) Section 7216 of such Code, as amended by
17 subsection (a), is further amended by inserting after
18 subsection (c) the following new subsection:

19 “(d) TAX RETURN PREPARER.—For purposes of this
20 section, the term ‘tax return preparer’ means any person
21 who is engaged in the business of preparing, or providing
22 services in connection with the preparation of, returns of
23 the tax imposed by chapter 1, or any person who for com-
24 pensation prepares any such return for any other per-
25 son.”.

1 (2) Subsection (a) of section 7216 of such Code
2 is amended by striking “person who is engaged in
3 the business of preparing, or providing services in
4 connection with the preparation of, returns of the
5 tax imposed by chapter 1, or any person who for
6 compensation prepares any such return for any
7 other person, and” and inserting “tax return pre-
8 parer”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to disclosures and uses after the
11 date of the enactment of this Act.

12 **SEC. 3. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE**
13 **TAX COLLECTION CONTRACTS.**

14 (a) IN GENERAL.—Subchapter A of chapter 64 of the
15 Internal Revenue Code of 1986 (relating to collection) is
16 amended by striking section 6306.

17 (b) CONFORMING AMENDMENTS.—

18 (1) Subchapter B of chapter 64 of such Code
19 is amended by striking section 7433A.

20 (2) Section 7809(a) of such Code is amended
21 by striking “6306,”.

22 (3) Section 7811 of such Code is amended by
23 striking subsection (g).

1 (4) Section 1203 of the Internal Revenue Serv-
2 ice Restructuring Act of 1998 is amended by strik-
3 ing subsection (e).

4 (5) The table of sections of subchapter A of
5 chapter 64 of such Code is amended by striking the
6 item relating to section 6306.

7 (6) The table of sections of subchapter B of
8 chapter 64 of such Code is amended by striking the
9 item relating to section 7433A.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on the date of the enactment
12 of this Act but shall not apply to any contract entered
13 into before such date.

14 (d) TERMINATION OF REPORTING REQUIREMENT.—
15 The reporting requirement of section 881(e) of the Amer-
16 ican Jobs Creation Act of 2004 shall not apply after the
17 date of the enactment of this Act.

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