

109TH CONGRESS
2D SESSION

H. R. 5138

To amend the Internal Revenue Code of 1986 to restrict the use of tax return information by preparers of returns.

IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2006

Mr. HAYWORTH 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 use of tax return information by preparers of returns.

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 Information
5 Protection and Privacy Act”.

6 **SEC. 2. RESTRICTION ON USE OF TAX RETURN INFORMA-**
7 **TION BY PREPARERS OF RETURNS.**

8 (a) IN GENERAL.—Section 7216 of the Internal Rev-
9 enue Code of 1986 (relating to disclosure or use of infor-

1 mation by preparers of returns) is amended by adding at
2 the end the following new subsection:

3 “(c) RESTRICTION ON SOLICITATIONS OF CON-
4 SENT.—

5 “(1) IN GENERAL.—A person described in sub-
6 section (a) may not solicit the taxpayer to consent
7 to the disclosure or use of information described in
8 such subsection for any purpose, including the use
9 of such information by such person to solicit the tax-
10 payer for additional tax-related services.

11 “(2) REGULATORY EXCEPTION NOT TO
12 APPLY.—Subsection (b)(3) shall not apply with re-
13 spect to any disclosure or use described in para-
14 graph (1).

15 “(d) CONSENT REQUIRED FOR TAX PREPARATION
16 WORK PERFORMED OUTSIDE UNITED STATES.—

17 “(1) IN GENERAL.—The disclosure or use of in-
18 formation described in subsection (a) in the ordinary
19 course of business by a person engaged in a business
20 described in such subsection to any individual or
21 person physically located outside of the United
22 States shall be treated as a violation of subsection
23 (a) unless the taxpayer consents to such disclosure
24 or use.

1 “(2) UNITED STATES.—For purposes of this
2 subsection, the term ‘United States’ includes any
3 territory or possession of the United States.”.

4 (b) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to disclosures and uses after the
6 date of the enactment of this Act.

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