109TH CONGRESS
2D SESSION

S. 2498

To amend the Internal Revenue Code of 1986 to prohibit the disclosure
of tax return information by tax return preparers to third parties.

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IN THE SENATE OF THE UNITED STATES

APRIL 4, 2006

Mr. THOMAS (for himself, Mr. SCHUMER, and Mr. ENZI) introduced the
following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to prohibit
the disclosure of tax return information by tax return
preparers to third parties.

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. PROHIBITION OF TAX PREPARERS DISCLOSING**

4 **TAX RETURN INFORMATION.**

5 (a) IN GENERAL.—Paragraph (3) of section 7216(b)

6 of the Internal Revenue Code of 1986 (relating to regula-

7 tions) is amended to read as follows:

8 "(3) REGULATIONS.—

9 "(A) IN GENERAL.—Subsection (a) shall

10 not apply to a disclosure or use of information

1 which is permitted by regulations prescribed by

2 the Secretary under this section.

3   "(B) PEER REVIEWS.—The regulations

4 under this section shall permit (subject to such

5 conditions as such regulations shall provide) the

6 disclosure or use of information for quality or

7 peer reviews.

8   "(C) DISCLOSURE TO THIRD PARTIES.—

9   "(i) IN GENERAL.—The regulations

10 under this section shall not permit the dis-

11 closure or use of information for purposes

12 of facilitating the solicitation of the tax-

13 payer's use of any services provided or fa-

14 cilities furnished by a person unless—

15   "(I) such person is a person de-

16 scribed in subsection (a) or a person

17 who is a member of the same affili-

18 ated group (within the meaning of

19 section 1504) as such person, and

20   "(II) the taxpayer has granted

21 consent to such disclosure or use.

22   "(ii) SOLICITATION OF CONSENT.—

23 The regulations under this section shall

24 not permit any person described in clause

25 (i)(I) to request the consent of a taxpayer

1   to disclose or use information for any pur-

2   pose other than a purpose described in

3   clause (i).''.

4   (b) EFFECTIVE DATE.—The amendment made by

5 this section shall take effect on the date of the enactment

6 of this Act.

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