

111TH CONGRESS
2D SESSION

H. R. 5047

To amend the Internal Revenue Code of 1986 to provide taxpayer protection and assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2010

Mr. BECERRA introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide taxpayer protection and assistance, 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 “Taxpayer Bill of Rights Act of 2010”.

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

1 shall be considered to be made to a section or other provi-
 2 sion of the Internal Revenue Code of 1986.

3 (c) TABLE OF CONTENTS.—The table of contents of
 4 this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—TAXPAYER RIGHTS AND OBLIGATIONS

Sec. 101. Statement of taxpayer rights and obligations.

TITLE II—PREPARATION OF TAX RETURNS

Sec. 201. Programs for the benefit of low-income taxpayers.

Sec. 202. Regulation of Federal income tax return preparers.

Sec. 203. Refund delivery products.

Sec. 204. Preparer penalties with respect to preparation of returns and other
 submissions.

Sec. 205. Clarification of enrolled agent credentials.

TITLE III—IMPROVING TAXPAYER SERVICES

Sec. 301. Individualized lien determination required before filing notice of lien.

Sec. 302. Ban on audit insurance.

Sec. 303. Public awareness.

Sec. 304. Clarification of taxpayer assistance order authority.

Sec. 305. Taxpayer advocate directives.

Sec. 306. Improved services for taxpayers.

Sec. 307. Taxpayer access to financial institutions.

Sec. 308. Additional studies.

5 **TITLE I—TAXPAYER RIGHTS AND** 6 **OBLIGATIONS**

7 **SEC. 101. STATEMENT OF TAXPAYER RIGHTS AND OBLIGA-** 8 **TIONS.**

9 (a) IN GENERAL.—Chapter 77 (relating to miscella-
 10 neous provisions) is amended by adding at the end the
 11 following new section:

1 **“SEC. 7529. STATEMENT OF TAXPAYER RIGHTS AND OBLI-**
2 **GATIONS.**

3 “(a) IN GENERAL.—The Secretary, in consultation
4 with the National Taxpayer Advocate, shall publish a sum-
5 mary statement of rights and obligations arising under
6 this title. Such statement shall provide citations to the
7 main provisions of this title which provide for the right
8 or obligation (as the case may be). This statement of
9 rights and obligations does not create or confer any rights
10 or obligations not otherwise provided for under this title.

11 “(b) STATEMENT OF RIGHTS AND OBLIGATIONS.—
12 The statement of rights and obligations is as follows:

13 “(1) TAXPAYER RIGHTS.—

14 “(A) Right to be informed (including ade-
15 quate legal and procedural guidance and infor-
16 mation about taxpayer rights).

17 “(B) Right to be assisted.

18 “(C) Right to be heard.

19 “(D) Right to pay no more than the cor-
20 rect amount of tax.

21 “(E) Right of appeal (administrative and
22 judicial).

23 “(F) Right to certainty (including guid-
24 ance, periods of limitation, no second exam, and
25 closing agreements).

1 “(G) Right to privacy (including due proc-
 2 ess considerations, least intrusive enforcement
 3 action, and search and seizure protections).

4 “(H) Right to confidentiality.

5 “(I) Right to appoint a representative in
 6 matters before the Internal Revenue Service.

7 “(J) Right to fair and just tax system
 8 (offer in compromise, abatement, assistance
 9 from the Office of the Taxpayer Advocate under
 10 section 7803(c), apology, and other compensa-
 11 tion payments).

12 “(2) TAXPAYER OBLIGATIONS.—

13 “(A) Obligation to be honest.

14 “(B) Obligation to be cooperative.

15 “(C) Obligation to provide accurate infor-
 16 mation and documents on time.

17 “(D) Obligation to keep records.

18 “(E) Obligation to pay taxes on time.”.

19 (b) CLERICAL AMENDMENT.—The table of sections
 20 for chapter 77 is amended by adding at the end the fol-
 21 lowing new item:

“Sec. 7529. Statement of taxpayer rights and obligations.”.

22 (c) EFFECTIVE DATE.—The amendments made by
 23 this section shall take effect 180 days after the date of
 24 the enactment of this Act.

1 **TITLE II—PREPARATION OF TAX**
2 **RETURNS**

3 **SEC. 201. PROGRAMS FOR THE BENEFIT OF LOW-INCOME**
4 **TAXPAYERS.**

5 (a) VOLUNTEER INCOME TAX ASSISTANCE PLUS.—
6 Chapter 77 (relating to miscellaneous provisions) is
7 amended by inserting after section 7526 the following new
8 section:

9 **“SEC. 7526A. VOLUNTEER INCOME TAX ASSISTANCE PLUS.**

10 “(a) IN GENERAL.—The Secretary may, subject to
11 the availability of appropriated funds, make grants to pro-
12 vide matching funds for the development, expansion, or
13 continuation of qualified return preparation programs.

14 “(b) DEFINITIONS.—For purposes of this section—

15 “(1) QUALIFIED RETURN PREPARATION PRO-
16 GRAM.—

17 “(A) IN GENERAL.—The term ‘qualified
18 return preparation program’ means a pro-
19 gram—

20 “(i) which does not charge taxpayers
21 for its return preparation services,

22 “(ii) which operates programs which
23 assist low-income taxpayers, including
24 those programs that serve taxpayers for
25 whom English is a second language, in

1 preparing and filing their Federal income
2 tax returns, including schedules reporting
3 sole proprietorship or farm income, and

4 “(iii) in which all of the volunteers
5 who assist in the preparation of Federal
6 income tax returns meet the training re-
7 quirements prescribed by the Secretary.

8 “(B) ASSISTANCE TO LOW-INCOME TAX-
9 PAYERS.—For purposes of subparagraph (A), a
10 program is treated as assisting low-income tax-
11 payers if at least 90 percent of the taxpayers
12 assisted by the program have incomes which do
13 not exceed 250 percent of the poverty level, as
14 determined in accordance with criteria estab-
15 lished by the Director of the Office of Manage-
16 ment and Budget.

17 “(2) PROGRAM.—The term ‘program’ in-
18 cludes—

19 “(A) a program at an institution of higher
20 education which—

21 “(i) is described in section 102 (other
22 than subsection (a)(1)(C) thereof) of the
23 Higher Education Act of 1965 (20 U.S.C.
24 1088), as in effect on the date of the en-
25 actment of this section, and which has not

1 been disqualified from participating in a
2 program under title IV of such Act, and

3 “(ii) satisfies the requirements of
4 paragraph (1) through student assistance
5 of taxpayers in return preparation and fil-
6 ing;

7 “(B) an organization described in section
8 501(c) and exempt from tax under section
9 501(a) which satisfies the requirements of para-
10 graph (1);

11 “(C) a regional, State or local coalition
12 (with one lead organization, which meets the
13 eligibility requirements, acting as the applicant
14 organization);

15 “(D) a county or municipal government
16 agency;

17 “(E) an Indian tribe, as defined in section
18 4(12) of the Native American Housing Assist-
19 ance and Self-Determination Act of 1996 (25
20 U.S.C. 4103(12)), and includes any tribally
21 designated housing entity (as defined in section
22 4(21) of such Act (25 U.S.C. 4103(21)), tribal
23 subsidiary, subdivision, or other wholly owned
24 tribal entity;

25 “(F) a section 501(c)(5) organization;

1 “(G) a State government agency if no
 2 other eligible organization is available to assist
 3 the targeted population or community;

4 “(H) a Cooperative Extension Service of-
 5 fice if no other eligible organization is available
 6 to assist the targeted population or community;
 7 and

8 “(I) a nonprofit Community Development
 9 Financial Institution (CDFI) and federally- and
 10 State-chartered credit union that qualifies for a
 11 tax exemption under sections 501(c)(1) and
 12 501(c)(14), respectively.

13 “(c) SPECIAL RULES AND LIMITATIONS.—

14 “(1) AGGREGATE LIMITATION.—Unless other-
 15 wise provided by specific appropriation, the Sec-
 16 retary shall not allocate more than \$35,000,000 per
 17 year (exclusive of costs of administering the pro-
 18 gram) to grants under this section.

19 “(2) USE OF GRANTS FOR OVERHEAD EX-
 20 PENSES PROHIBITED.—No grant made under this
 21 section may be used for overhead expenses that are
 22 not directly related to any program or that are in-
 23 curred by any institution sponsoring such program.

24 “(3) OTHER APPLICABLE RULES.—Rules simi-
 25 lar to the rules under paragraphs (2) through (6) of

1 section 7526(c) shall apply with respect to the
2 awarding of grants to qualified return preparation
3 programs.

4 “(4) PROMOTION OF PROGRAMS.—The Sec-
5 retary is authorized to promote the benefits of and
6 encourage the use of qualified VITA Plus through
7 the use of mass communications, referrals, and other
8 means.”.

9 (b) LOW-INCOME TAXPAYER CLINICS.—

10 (1) INCREASE IN AUTHORIZED GRANTS.—Para-
11 graph (1) of section 7526(c) (relating to aggregate
12 limitation) is amended by striking “\$6,000,000” and
13 inserting “\$20,000,000”.

14 (2) USE OF GRANTS FOR OVERHEAD EXPENSES
15 PROHIBITED.—

16 (A) IN GENERAL.—Section 7526(c) (relat-
17 ing to special rules and limitations) is amended
18 by adding at the end the following new para-
19 graph:

20 “(6) USE OF GRANTS FOR OVERHEAD EX-
21 PENSES PROHIBITED.—No grant made under this
22 section may be used for the overhead expenses that
23 are not directly related to the clinic or that are of
24 any institution sponsoring such clinic.”.

1 (B) CONFORMING AMENDMENTS.—Section
2 7526(c)(5) is amended—

3 (i) by inserting “qualified” before
4 “low-income”, and

5 (ii) by striking the last sentence.

6 (3) PROMOTION OF CLINICS.—Subsection (c) of
7 section 7526 (relating to special rules and limita-
8 tions), as amended by paragraph (2), is amended by
9 adding at the end the following new paragraph:

10 “(7) PROMOTION OF CLINICS.—The Secretary
11 is authorized to promote the benefits of and encour-
12 age the use of qualified low-income taxpayer clinics
13 through the use of mass communications, referrals,
14 and other means.”.

15 (4) IRS REFERRALS TO CLINICS.—Subsection
16 (c) of section 7526 (relating to special rules and lim-
17 itations), as amended by the preceding provisions of
18 this subsection, is amended by adding at the end the
19 following new paragraph:

20 “(8) IRS REFERRALS.—The Secretary may
21 refer taxpayers to qualified low-income taxpayer clin-
22 ics receiving funding under this section.”.

23 (5) NOTICE OF AVAILABILITY OF CLINICS IN
24 NOTICE OF DEFICIENCY.—Subsection (a) of section
25 6212 (relating to general rule for notice of defi-

1 ciency) is amended by inserting “, as well as notice
2 regarding the availability of low-income taxpayer
3 clinics and information about how to contact them”
4 before the period at the end.

5 (6) NOTICE OF AVAILABILITY OF CLINICS IN
6 NOTICE OF HEARING UPON FILING OF NOTICE OF
7 LIEN.—Subsection (a) of section 6320 (relating to
8 requirement of notice) is amended by adding at the
9 end the following new sentence: “Such notice shall
10 include a notice to the taxpayer of the availability of
11 low-income taxpayer clinics and information about
12 how to contact them.”.

13 (7) NOTICE OF AVAILABILITY OF CLINICS IN
14 NOTICE AND OPPORTUNITY OF HEARING BEFORE
15 LEVY.—Paragraph (3) of section 6330(a) is amend-
16 ed by adding at the end the following flush sentence:
17 “Such notice shall include a notice to the taxpayer
18 of the availability of low-income taxpayer clinics and
19 information about how to contact them.”.

20 (c) CLERICAL AMENDMENT.—The table of sections
21 for chapter 77 is amended by inserting after the item re-
22 lating to section 7526 the following new item:

“Sec. 7526A. Volunteer income tax assistance plus.”.

23 (d) EFFECTIVE DATE.—The amendments made by
24 this section shall take effect on the date of the enactment
25 of this Act.

1 **SEC. 202. REGULATION OF FEDERAL INCOME TAX RETURN**

2 **PREPARERS.**

3 (a) IN GENERAL.—Section 330(a)(1) of title 31,
4 United States Code, is amended by inserting “(including
5 tax return preparers of Federal tax returns, documents,
6 and other submissions)” after “representatives”.

7 (b) PROMULGATION OF REGULATIONS.—The Sec-
8 retary of the Treasury shall prescribe regulations under
9 section 330 of title 31, United States Code, to regulate
10 any tax return preparers not otherwise regulated by the
11 Secretary.

12 (c) REQUIREMENTS.—Such regulations shall provide
13 guidance on the following:

14 (1) EXAMINATION.—

15 (A) IN GENERAL.—In promulgating the
16 regulations under paragraph (1), the Secretary
17 shall approve and oversee eligibility examina-
18 tions.

19 (B) TWO EXAMINATIONS.—One such ex-
20 amination shall be designed to test technical
21 knowledge and competency to prepare indi-
22 vidual returns, and the other examination shall
23 be designed to test technical knowledge and
24 competency to prepare business income tax re-
25 turns.

1 (C) EITC.—The examination relating to
2 individual returns shall test knowledge and
3 competency regarding properly claiming the
4 earned income tax credit under section 32 of
5 the Internal Revenue Code of 1986.

6 (D) ETHICS.—Both examinations under
7 subparagraph (B) shall test knowledge regard-
8 ing such ethical standards for the preparation
9 of such returns as determined appropriate by
10 the Secretary.

11 (E) GRANDFATHER.—The Secretary is au-
12 thorized to accept an individual as meeting the
13 eligibility examination requirement of this sec-
14 tion if, in lieu of the eligibility examination
15 under this section, the individual passed a State
16 licensing or State registration program eligi-
17 bility examination that the Secretary deter-
18 mines is comparable to either of the eligibility
19 examinations described in subparagraph (B) if
20 such exam is administered within 5 years after
21 the date of the issuance of the regulations
22 under this section.

23 (2) SUITABILITY STANDARDS.—The Secretary
24 shall provide suitability standards for practicing as
25 a tax return preparer, including tax compliance with

1 the requirements of the Internal Revenue Code of
2 1986.

3 (3) CONTINUING ELIGIBILITY.—

4 (A) IN GENERAL.—The regulations under
5 paragraph (1) shall require a renewal of eligi-
6 bility every 3 years and shall set forth the man-
7 ner in which a tax return preparer must renew
8 such eligibility.

9 (B) CONTINUING PROFESSIONAL EDU-
10 CATION REQUIREMENTS.—As part of the re-
11 newal of eligibility, such regulations shall re-
12 quire that each such tax return preparer show
13 evidence of completion of such continuing edu-
14 cation or testing requirements as specified by
15 the Secretary.

16 (C) NONMONETARY SANCTIONS.—

17 (i) The regulations under this section
18 shall provide for the denial, suspension or
19 termination of such eligibility in the event
20 of any failure to comply with the require-
21 ments promulgated hereunder.

22 (ii) Under such regulations, the Sec-
23 retary shall establish procedures for the
24 appeal of any determination under this
25 paragraph.

1 (d) PENALTY FOR UNAUTHORIZED PREPARATION OF
2 RETURNS.—

3 (1) IN GENERAL.—In promulgating the regula-
4 tions pursuant to subsection (b), the Secretary shall
5 impose a penalty of \$1,000 for each Federal tax re-
6 turn, document, or other submission prepared by a
7 tax return preparer who is not in compliance with
8 the regulations promulgated under this section or
9 who is suspended or disbarred from practice before
10 the Department of the Treasury under such regula-
11 tions. Such penalty shall be in addition to any other
12 penalty which may be imposed.

13 (2) EXCEPTION.—No penalty may be imposed
14 under paragraph (1) with respect to any failure if it
15 is shown that such failure is due to reasonable
16 cause.

17 (e) DEFINITIONS.—For purposes of this section—

18 (1) TAX RETURN PREPARER.—The term “tax
19 return preparer” has the meaning given by section
20 7701(a)(36) of the Internal Revenue Code of 1986,
21 and includes any person requiring the purchase of
22 services, a financial product or goods in lieu of or in
23 addition to direct monetary payment.

1 (2) SECRETARY.—The terms “Secretary of the
2 Treasury” and “Secretary” mean the Secretary of
3 the Treasury or the delegate of the Secretary.

4 (f) PUBLIC AWARENESS CAMPAIGN.—The Secretary
5 shall conduct a public information and consumer edu-
6 cation campaign, utilizing paid advertising—

7 (1) to encourage taxpayers to use for Federal
8 tax matters only professionals who establish their
9 competency under the regulations promulgated
10 under section 330 of title 31, United States Code,
11 and

12 (2) to inform the public of the requirements
13 that any compensated preparer of tax returns, docu-
14 ments, and submissions subject to the requirements
15 under the regulations promulgated under such sec-
16 tion must sign the return, document, or submission
17 prepared for a fee and display notice of such pre-
18 parer’s compliance under such regulations.

19 (g) EFFECTIVE DATES.—

20 (1) IN GENERAL.—The amendment made by
21 this section shall take effect on the date of the en-
22 actment of the Act.

23 (2) REGULATIONS.—The regulations required
24 by section 330(d) of title 31, United States Code,

1 shall be prescribed not later than 2 years after the
2 date of the enactment of this Act.

3 (3) FULL IMPLEMENTATION.—The Secretary,
4 taking into consideration the complexity and mag-
5 nitude of the requirements set forth under this Act,
6 may delay full implementation of the regulations
7 promulgated herein not later than the fifth filing
8 season after the enactment of this Act.

9 **SEC. 203. REFUND DELIVERY PRODUCTS.**

10 (a) IN GENERAL.—Chapter 77 (relating to miscella-
11 neous provisions), as amended by section 101, is amended
12 by adding at the end the following new section:

13 **“SEC. 7530. REFUND DELIVERY PRODUCTS.**

14 “(a) REGISTRATION.—

15 “(1) IN GENERAL.—The Secretary shall by reg-
16 ulation require each refund delivery product
17 facilitator to register annually with the Secretary.

18 “(2) REGISTRATION REQUIREMENTS.—A reg-
19 istration shall under paragraph (1) shall include—

20 “(A) the name, address, and TIN of the
21 refund delivery product facilitator, and

22 “(B) the fee schedule of the facilitator for
23 the year.

24 “(3) DISPLAY OF REGISTRATION CERTIFI-
25 CATE.—The certificate of registration under para-

graph (1) shall be displayed in the facility of the refund delivery product facilitator in the manner required by the Secretary.

“(b) DISCLOSURE REQUIREMENTS.—

“(1) IN GENERAL.—Each refund delivery product facilitator registered with the Secretary shall be subject to the requirements of paragraphs (2) through (5).

“(2) TAXPAYER EDUCATION.—The requirements of this paragraph are that the refund delivery product facilitator makes available to consumers an informational pamphlet that—

“(A) sets forth options available for receiving tax refunds, presented from least expensive to most expensive, and

“(B) discusses short-term credit alternatives to utilizing refund delivery products.

“(3) NATURE OF THE TRANSACTION.—The requirements of this paragraph are that, at the time of application for the refund delivery product, the refund delivery product facilitator specifically state in writing—

“(A) in the case of a refund delivery product which is a refund loan—

1 “(i) that the applicant is applying for
2 a loan based on the applicant’s anticipated
3 income tax refund,

4 “(ii) the expected time within which
5 the loan will be paid to the applicant if
6 such loan is approved, and

7 “(iii) that there is no guarantee that
8 a refund will be paid in full or received
9 within a specified time period, and that the
10 applicant is responsible for the repayment
11 of the loan even if the refund is not paid
12 in full or has been delayed,

13 “(B) the time within which income tax re-
14 funds are typically paid based upon the dif-
15 ferent filing options available to the applicant,
16 and

17 “(C) that the applicant may file an elec-
18 tronic return without applying for a refund de-
19 livery product and the fee for filing such an
20 electronic return.

21 “(4) FEES, INTEREST AND AMOUNTS RE-
22 CEIVED.—The requirements of this paragraph are
23 that, at the time of application for the refund deliv-
24 ery product, the refund delivery product facilitator
25 discloses to the applicant all amounts to be received

1 in connection with a refund delivery product. Such
2 disclosure shall include—

3 “(A) a copy of the fee schedule of the re-
4 fund delivery product facilitator,

5 “(B) in the case of a refund delivery prod-
6 uct which is a refund loan—

7 “(i) the typical fees and interest rates
8 (using annual percentage rates as defined
9 by section 107 of the Truth in Lending
10 Act (15 U.S.C. 1606)) for several typical
11 amounts of such loans and of other types
12 of consumer credit, and

13 “(ii) that the loan may have substan-
14 tial fees and interest charges that may ex-
15 ceed those of other sources of credit, and
16 the applicant should carefully consider—

17 “(I) whether such a loan is ap-
18 propriate for the applicant, and

19 “(II) other sources of credit,

20 “(C) typical fees and interest charges if a
21 refund is not paid or delayed,

22 “(D) the amount of a fee (if any) that will
23 be charged if the refund delivery product is not
24 approved, and

1 “(E) administrative costs and any other
2 amounts.

3 “(5) OTHER INFORMATION.—The requirements
4 of this paragraph are that the refund delivery prod-
5 uct facilitator discloses any other information re-
6 quired to be disclosed by the Secretary.

7 “(6) DISCLOSURE REQUIREMENT.—A disclosure
8 under any of the preceding paragraphs of this sub-
9 section shall not be treated as meeting the require-
10 ments of the respective paragraph unless the disclo-
11 sure is written in a manner calculated to be under-
12 stood by the average consumer of refund delivery
13 products and provides sufficient information (as de-
14 termined in accordance with regulations prescribed
15 by the Secretary) to allow the consumer to under-
16 stand such options and credit alternatives.

17 “(c) PENALTY.—

18 “(1) IN GENERAL.—There is hereby imposed a
19 penalty on any refund delivery product facilitator
20 who fails to register with the Secretary pursuant to
21 subsection (a) or fails to meet a disclosure require-
22 ment under subsection (b).

23 “(2) AMOUNT OF PENALTY.—The amount of
24 the penalty imposed by paragraph (1) shall be the
25 greater of—

1 “(A) \$1,000, and

2 “(B) three times the amount of the refund
3 loan, if applicable, and refund delivery product
4 facilitator-determined fees charged with respect
5 to each refund delivery product provided by the
6 refund delivery product facilitator during the
7 period in which the failure described in para-
8 graph (1) occurred.

9 “(3) WAIVER BY SECRETARY.—In the case of a
10 failure which is due to reasonable cause and not to
11 willful neglect, the Secretary may waive part or all
12 of the penalty imposed by paragraph (1) to the ex-
13 tent that the payment of such penalty would be ex-
14 cessive or otherwise inequitable relative to the failure
15 involved.

16 “(d) CONDUCT.—

17 “(1) RULES OF CONDUCT.—The Secretary shall
18 prescribe rules of conduct for refund delivery prod-
19 uct facilitators which are similar to the rules appli-
20 cable to federally authorized tax practitioners (as de-
21 fined by section 7525(a)(3)(A)) under part 10 of
22 title 31, Code of Federal Regulations.

23 “(2) LIMITATION ON APPROVAL AS REFUND DE-
24 LIVERY PRODUCT FACILITATOR.—For such period as
25 the Secretary (in his discretion) determines reason-

1 able, the Secretary may not register any person as
2 a refund delivery product facilitator under sub-
3 section (a) who the Secretary determines has en-
4 gaged in any conduct that would warrant discipli-
5 nary action under the rules of conduct prescribed
6 under paragraph (1) or under part 10 of title 31,
7 Code of Federal Regulations.

8 “(e) OTHER LIMITATIONS RELATING TO REFUND
9 DELIVERY PRODUCTS.—In any case in which a taxpayer
10 has consented to the release of the taxpayer’s refund indi-
11 cator to a refund delivery product facilitator, the Secretary
12 may only provide information related to the refund indi-
13 cator to a refund delivery product facilitator who is reg-
14 istered under subsection (a). For purposes of the pre-
15 ceding sentence, the term ‘refund indicator’ means a noti-
16 fication provided through a tax return’s acknowledgement
17 file regarding whether a refund will be paid. The Secretary
18 may issue a refund indicator only after the Secretary de-
19 termines that the taxpayer’s refund would not be pre-
20 vented by any provision of this title, including any provi-
21 sion relating to refund offset to repay debts for delinquent
22 Federal or State taxes, student loans, child support, or
23 other Federal agency debt, whether the taxpayer is claim-
24 ing ineligible children for purposes of certain tax benefits,

1 and whether the refund will be held pending a fraud inves-
 2 tigation.

3 “(f) DEFINITIONS.—For purposes of this section—

4 “(1) REFUND DELIVERY PRODUCT
 5 FACILITATOR.—

6 “(A) IN GENERAL.—The term ‘refund de-
 7 livery product facilitator’ includes any electronic
 8 filing service provider who—

9 “(i) solicits for, processes, receives, or
 10 accepts delivery of an application for a re-
 11 fund delivery product, or

12 “(ii) facilitates the making of a refund
 13 delivery product in any other manner.

14 “(B) ELECTRONIC FILING SERVICE PRO-
 15 VIDER.—The term ‘electronic filing service pro-
 16 vider’ includes any person who is an electronic
 17 return originator, intermediate service provider,
 18 or transmitter.

19 “(C) ELECTRONIC RETURN ORIGINATOR.—
 20 The term ‘electronic return originator’ includes
 21 a person who originates the electronic submis-
 22 sion of income tax returns for another person.

23 “(D) INTERMEDIATE SERVICE PRO-
 24 VIDER.—The term ‘intermediate service pro-
 25 vider’ includes a person who assists with proc-

1 essing return information between an electronic
2 return originator (or the taxpayer in the case of
3 online filing) and a transmitter.

4 “(E) TRANSMITTER.—The term ‘trans-
5 mitter’ includes a person who sends the elec-
6 tronic return data directly to the Internal Rev-
7 enue Service.

8 “(2) REFUND DELIVERY PRODUCT.—The term
9 ‘refund delivery product’ includes a refund loan and
10 any other product sold to a taxpayer for a fee or any
11 other thing of value for the purpose of receiving the
12 taxpayer’s anticipated federal tax refund.

13 “(3) REFUND LOAN.—The term ‘refund loan’
14 includes any loan of money or any other thing of
15 value to a taxpayer in connection with the taxpayer’s
16 anticipated receipt of a Federal tax refund. Such
17 term includes a loan secured by the tax refund or an
18 arrangement to repay a loan from the tax refund.

19 “(g) REGULATIONS.—

20 “(1) IN GENERAL.—The Secretary may pre-
21 scribe such regulations as necessary to carry out this
22 subchapter.

23 “(2) BURDEN OF REGISTRATION.—In promul-
24 gating such regulations, the Secretary shall minimize
25 the burden and cost on the registrant.”.

1 (b) PUBLIC AWARENESS CAMPAIGN.—The Secretary
 2 of the Treasury shall conduct a public information and
 3 consumer education campaign, utilizing paid advertising,
 4 to educate the public on making sound financial decisions
 5 with respect to refund delivery products (as defined by sec-
 6 tion 7530 of the Internal Revenue Code of 1986), includ-
 7 ing—

8 (1) the need to compare the rates and fees of
 9 refund loans with the rates and fees of conventional
 10 loans,

11 (2) the need to compare the amount of money
 12 received under a refund delivery product after taking
 13 into consideration such costs and fees with the total
 14 amount of the refund, and

15 (3) where and how taxpayers may lodge com-
 16 plaints concerning refund delivery product
 17 facilitators.

18 (c) CLERICAL AMENDMENT.—The table of sections
 19 for chapter 77 is amended by adding at the end the fol-
 20 lowing new item:

“Sec. 7530. Refund delivery products.”.

21 (d) EFFECTIVE DATES.—

22 (1) IN GENERAL.—The amendments made by
 23 this section shall take effect on the date of the en-
 24 actment of the Act.

1 (2) REGULATIONS.—The regulations required
 2 by section 7530(g) of the Internal Revenue Code of
 3 1986 shall be prescribed not later than 2 years after
 4 the date of the enactment of this Act.

5 (3) FULL IMPLEMENTATION.—The Secretary of
 6 the Treasury, taking into consideration the com-
 7 plexity and magnitude of the requirements set forth
 8 under this Act, may delay full implementation of the
 9 regulations promulgated under such section not later
 10 than 5 years after the enactment of this Act.

11 **SEC. 204. PREPARER PENALTIES WITH RESPECT TO PREPA-**
 12 **RATION OF RETURNS AND OTHER SUBMIS-**
 13 **SIONS.**

14 (a) INCLUSION OF OTHER SUBMISSIONS IN PENALTY
 15 PROVISIONS.—

16 (1) UNDERSTATEMENT OF TAXPAYER’S LIABIL-
 17 ITY.—

18 (A) IN GENERAL.—Section 6694 (relating
 19 to understatement of taxpayer’s liability by tax
 20 return preparer) is amended by striking “return
 21 or claim of refund” each place it appears and
 22 inserting “return, claim of refund, or other sub-
 23 mission”.

24 (B) CONFORMING AMENDMENTS.—Section
 25 6694, as amended by paragraph (1), is amend-

ed by striking “return or claim” each place it appears and inserting “return, claim, or other submission”.

(2) OTHER ASSESSABLE PENALTIES.—

(A) IN GENERAL.—Section 6695 (relating to other assessable penalties with respect to the preparation of tax returns for other persons) is amended by striking “return or claim of refund” each place it appears and inserting “return, claim of refund, or other submission”.

(B) CONFORMING AMENDMENTS.—Section 6695, as amended by paragraph (1), is amended by striking “return or claim” each place it appears and inserting “return, claim, or other submission”.

(b) INCREASE IN CERTAIN OTHER ASSESSABLE PENALTY AMOUNTS.—

(1) IN GENERAL.—Subsections (a), (b), and (c) of section 6695 (relating to other assessable penalties with respect to the preparation of income tax returns for other persons) are each amended by striking “\$50” and inserting “\$1,000”.

(2) REMOVAL OF ANNUAL LIMITATION.—Subsections (a), (b), and (c) of section 6695 are each amended by striking the last sentence thereof.

1 (c) REVIEW BY THE TREASURY INSPECTOR GEN-
2 ERAL FOR TAX ADMINISTRATION.—Subparagraph (A) of
3 section 7803(d)(2) is amended by striking “and” at the
4 end of clause (iii), by striking the period at the end of
5 clause (iv) and inserting “, and”, and by adding at the
6 end the following new clause:

7 “(v) a summary of the penalties as-
8 sessed and collected during the reporting
9 period under sections 6694 and 6695 and
10 under the regulations promulgated under
11 section 330 of title 31, United States
12 Code, and a review of the procedures by
13 which violations are identified and pen-
14 alties are assessed under those sections,”.

15 (d) ADDITIONAL CERTIFICATION ON DOCUMENTS
16 OTHER THAN RETURNS.—

17 (1) IDENTIFYING NUMBER REQUIRED FOR ALL
18 SUBMISSIONS TO THE IRS BY TAX RETURN PRE-
19 PARERS.—The first sentence of paragraph (4) of
20 section 6109(a) is amended by striking “return or
21 claim for refund” and inserting “return, claim for
22 refund, or other document”.

23 (2) EFFECTIVE DATE.—The amendment made
24 by paragraph (1) shall apply to documents filed
25 after the date of the enactment of this Act.

1 (e) COORDINATION WITH SECTION 6060(a).—The
2 Secretary of the Treasury shall coordinate the require-
3 ments under the regulations promulgated under section
4 330 of title 31, United States Code, with the return re-
5 quirements of section 6060 of the Internal Revenue Code
6 of 1986.

7 (f) EFFECTIVE DATE.—The regulations required by
8 this section shall be prescribed not later than one year
9 after the date of the enactment of this Act.

10 **SEC. 205. CLARIFICATION OF ENROLLED AGENT CREDEN-**
11 **TIALS.**

12 Section 330 of title 31, United States Code, as
13 amended by section 202, is amended—

14 (1) by redesignating subsection (e) as sub-
15 section (f), and

16 (2) by inserting after subsection (d) the fol-
17 lowing new subsection:

18 “(e) Any enrolled agents properly licensed to practice
19 as required under rules promulgated under subsection (a)
20 shall be allowed to use the credentials or designation as
21 ‘enrolled agent’, ‘EA’, or ‘E.A.’.”.

TITLE III—IMPROVING TAXPAYER SERVICES

SEC. 301. INDIVIDUALIZED LIEN DETERMINATION RE- QUIRED BEFORE FILING NOTICE OF LIEN.

(a) IN GENERAL.—Section 6323 is amended by adding at the end the following new subsection:

“(k) LIEN DETERMINATION BEFORE FILING.—

“(1) IN GENERAL.—The Secretary shall not file a notice of lien before making an individualized lien determination.

“(2) LIEN DETERMINATION.—In making an individualized lien determination with respect to a taxpayer, the Secretary shall consider factors, including—

“(A) the amount due,

“(B) the lien filing fee,

“(C) the value of the taxpayer’s equity in the property or right to property,

“(D) the taxpayer’s tax compliance history,

“(E) extenuating circumstances, if any, that explain the delinquency, and

“(F) the effect of the filing on the taxpayer’s ability to obtain financing, generate future income, and pay current and future tax liabilities.

1 “(3) SUPERVISORY REVIEW.—In any case in
2 which—

3 “(A) collecting a liability through a lien
4 imposed under section 6321 would create an
5 economic hardship (within the meaning of sec-
6 tion 6343(a)(1)(D)), or

7 “(B) the taxpayer does not have significant
8 equity in property or right to property,
9 the Secretary shall not file a notice of lien unless the
10 supervisor of the employee making the lien deter-
11 mination referenced in paragraph (2) also deter-
12 mines that the filing is necessary.

13 “(4) WITHDRAWAL OF LIEN.—A lien filed in
14 violation of this subsection shall be withdrawn under
15 subsection (j).”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall apply with respect to liens filed after
18 the date of the enactment of this Act.

19 **SEC. 302. BAN ON AUDIT INSURANCE.**

20 Section 330 of title 31, United States Code, as
21 amended by sections 202 and 205, is amended by adding
22 at the end the following new subsection:

23 “(g) BAN ON AUDIT INSURANCE.—No person admit-
24 ted to practice before the Department of the Treasury may
25 directly or indirectly offer or provide insurance or other

1 form of indemnification or reimbursement to cover a tax-
 2 payer’s assessment of federal tax, penalties, or interest.”.

3 **SEC. 303. PUBLIC AWARENESS.**

4 (a) IN GENERAL.—Section 6103(k) (relating to dis-
 5 closure of certain returns and return information for tax
 6 administration purposes) is amended by adding at the end
 7 the following new paragraph:

8 “(10) DISCLOSURE OF RECOGNIZED, CER-
 9 TIFIED, OR REGISTERED PERSONS; REVOCATION OF
 10 REGISTRATION.—The Secretary shall furnish to the
 11 public—

12 “(A) the identity of any person who—

13 “(i) is an enrolled agent or is an at-
 14 torney or certified public accountant who
 15 either has a power of attorney on file with
 16 the Internal Revenue Service or notifies
 17 the Internal Revenue Service of their sta-
 18 tus as a preparer of Federal tax returns,

19 “(ii) is certified under section 330(d)
 20 of title 31, United States Code, as a tax
 21 return preparer, or

22 “(iii) is registered as a refund delivery
 23 product facilitator pursuant to section
 24 7530, and

1 “(B) information as to whether or not any
 2 person who is otherwise suspended or disbarred
 3 is no longer so recognized, certified, or reg-
 4 istered (as the case may be).”.

5 (b) EFFECTIVE DATE.—The amendment made by
 6 subsection (a) shall take effect not later than two years
 7 after the date of enactment of this Act.

8 **SEC. 304. CLARIFICATION OF TAXPAYER ASSISTANCE**
 9 **ORDER AUTHORITY.**

10 (a) IN GENERAL.—Paragraph (2) of section 7811(b)
 11 is amended—

12 (1) by redesignating subparagraphs (C) and
 13 (D) as subparagraphs (D) and (E), respectively, and

14 (2) by inserting after subparagraph (B) the fol-
 15 lowing new subparagraph:

16 “(C) chapter 74 (relating to closing agree-
 17 ments and compromises),”.

18 (b) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to orders issued after the date of
 20 the enactment of this Act.

21 **SEC. 305. TAXPAYER ADVOCATE DIRECTIVES.**

22 (a) IN GENERAL.—Subchapter A of chapter 80 is
 23 amended by inserting after section 7811 the following new
 24 section:

1 **“SEC. 7811A. TAXPAYER ADVOCATE DIRECTIVES.**

2 “(a) **AUTHORITY TO ISSUE.**—The National Taxpayer
3 Advocate may issue a Taxpayer Advocate Directive to
4 mandate administrative or procedural changes to improve
5 the operation of a functional process or to grant relief to
6 groups of taxpayers (or all taxpayers) if its implementa-
7 tion will protect the rights of taxpayers, prevent undue
8 burden, ensure equitable treatment, or provide an essen-
9 tial service to taxpayers. A Taxpayer Advocate Directive
10 may only be issued by the National Taxpayer Advocate.
11 The terms of a Taxpayer Advocate Directive may require
12 the Commissioner to implement it within a specified period
13 of time.

14 “(b) **AUTHORITY TO MODIFY OR RESCIND.**—Any
15 Taxpayer Advocate Directive may be modified or re-
16 scinded—

17 “(1) only by the National Taxpayer Advocate,
18 the Commissioner of Internal Revenue, or the Dep-
19 uty Commissioner of Internal Revenue, and

20 “(2) only if a written explanation of the reasons
21 for the modification or rescission is provided to the
22 National Taxpayer Advocate.”.

23 (b) **ANNUAL REPORT.**—

24 (1) **IN GENERAL.**—Clause (ii) of section
25 7803(c)(2)(B) is amended by redesignating sub-
26 clauses (III) through (XI) as subclauses (IV)

1 through (XII), respectively, and by inserting after
 2 subclause (II) the following new subclause:

3 “(III) contain Taxpayer Advocate
 4 Directives issued under section
 5 7811A;”.

6 (2) CONFORMING AMENDMENTS.—Clause (ii) of
 7 section 7803(c)(2)(B), as amended by paragraph
 8 (1), is amended—

9 (A) by striking “subclauses (I), (II), and
 10 (III)” in subclauses (V), (VI), and (VII) thereof
 11 and inserting “subclauses (I), (II), (III), and
 12 (IV)”, and

13 (B) in subclause (VIII)—

14 (i) by inserting “or Taxpayer Advo-
 15 cate Directive” after “Taxpayer Assistance
 16 Order”, and

17 (ii) by inserting “or 7811A(a)” after
 18 “section 7811(b)”.

19 (c) CLERICAL AMENDMENT.—The table of sections
 20 for subchapter A of chapter 80 is amended by inserting
 21 after the item relating to section 7811 the following new
 22 item:

“Sec. 7811A. Taxpayer advocate directives.”.

23 **SEC. 306. IMPROVED SERVICES FOR TAXPAYERS.**

24 (a) IN GENERAL.—It is the sense of Congress that
 25 the Internal Revenue Service should within 2 years—

- 1 (1) reduce the time between receipt of an elec-
- 2 tronically filed return and issuance of a refund,
- 3 (2) expand assistance to low-income taxpayers,
- 4 (3) allocate resources to assist low-income tax-
- 5 payers in establishing accounts at financial institu-
- 6 tions that receive direct deposits from the United
- 7 States Treasury,
- 8 (4) deliver tax refunds on debit cards, prepaid
- 9 cards, and other electronic means to assist individ-
- 10 uals that do not have access to financial accounts or
- 11 institutions,
- 12 (5) establish a pilot program for satellite walk-
- 13 in centers to be located in rural underserved commu-
- 14 nities without easy access to Internal Revenue Serv-
- 15 ice Taxpayer Assistance Centers by using office fa-
- 16 cilities currently occupied by the Federal Govern-
- 17 ment, including United States Postal Service and
- 18 Social Security Administration facilities; such sat-
- 19 ellite walk-in centers should have the capability to
- 20 provide video-conferencing services and scanning or
- 21 other digitizing functions to deliver, in an interactive
- 22 manner, all service and compliance functions cur-
- 23 rently available in Internal Revenue Service Tax-
- 24 payer Assistance Centers, and

1 (6) establish a pilot program for mobile tax re-
2 turn preparation offices.

3 (b) LOCATION OF SERVICE.—

4 (1) IN GENERAL.—The mobile tax return filing
5 offices should be located in communities that the
6 Secretary determines have a high incidence of tax-
7 payers claiming the earned income tax credit, par-
8 ticularly in locations with few community volunteer
9 tax preparation clinics.

10 (2) INDIAN RESERVATION.—At least one mobile
11 tax return filing office should be on or near an In-
12 dian reservation (as defined in section 168(j)(6) of
13 the Internal Revenue Code of 1986).

14 **SEC. 307. TAXPAYER ACCESS TO FINANCIAL INSTITUTIONS.**

15 (a) ESTABLISHMENT OF PROGRAM.—The Secretary
16 of the Treasury may award demonstration project grants
17 (including multiyear awards) to eligible entities to provide
18 accounts to individuals who currently do not have an ac-
19 count with a financial institution. The account would be
20 held in a federally insured depository institution.

21 (b) PRIORITY.—Priority shall be given to demonstra-
22 tion project proposals that provide accounts at low or no
23 cost and—

24 (1) that utilize new technologies such as the
25 prepaid product to expand access to financial serv-

1 ices, in particular for persons without bank ac-
2 counts, with low access to financial services, or low
3 utilization of mainstream financial services,

4 (2) that promote the development of new finan-
5 cial products and services that are adequate to im-
6 prove access to wealth building financial services,
7 which help integrate more Americans into the finan-
8 cial mainstream,

9 (3) that promote education for these persons
10 and depository institutions concerning the avail-
11 ability and use of financial services for and by such
12 persons, and

13 (4) that include other such activities and
14 projects as the Secretary may determine are con-
15 sistent with the purpose of this section.

16 (c) ELIGIBLE ENTITIES.—

17 (1) IN GENERAL.—An entity is eligible to re-
18 ceive a grant under this section if such an entity
19 is—

20 (A) an organization described in section
21 501(c)(3) of the Internal Revenue Code of 1986
22 and exempt from tax under section 501(a) of
23 such Code,

24 (B) a federally insured depository institu-
25 tion,

1 (C) an agency of a State or local govern-
2 ment,

3 (D) a community development financial in-
4 stitution,

5 (E) an Indian tribal organization,

6 (F) an Alaska Native Corporation,

7 (G) a Native Hawaiian organization,

8 (H) an organization described in
9 501(c)(5), and exempt from tax under section
10 501(a), of such Code,

11 (I) a nonbank financial service provider, or

12 (J) a partnership comprised of 1 or more
13 of the entities described in the preceding sub-
14 paragraphs.

15 (2) DEFINITIONS.—For purposes of this sec-
16 tion—

17 (A) FEDERALLY INSURED DEPOSITORY IN-
18 STITUTION.—The term “federally insured de-
19 pository institution” means any insured deposi-
20 tory institution (as defined in section 3 of the
21 Federal Deposit Insurance Act (12 U.S.C.
22 1813)) and any insured credit union (as defined
23 in section 101 of the Federal Credit Union Act
24 (12 U.S.C. 1752)).

1 (B) COMMUNITY DEVELOPMENT FINAN-
2 CIAL INSTITUTION.—The term “community de-
3 velopment financial institution” means any or-
4 ganization that has been certified as such pur-
5 suant to section 1805.201 of title 12, Code of
6 Federal Regulations.

7 (C) ALASKA NATIVE CORPORATION.—The
8 term “Alaska Native Corporation” has the
9 same meaning as the term “Native Corpora-
10 tion” under section 3(m) of the Alaska Native
11 Claims Settlement Act (43 U.S.C. 1602(m)).

12 (D) NATIVE HAWAIIAN ORGANIZATION.—
13 The term “Native Hawaiian organization”
14 means any organization that—

15 (i) serves and represents the interests
16 of Native Hawaiians, and

17 (ii) has as a primary and stated pur-
18 pose the provision of services to Native
19 Hawaiians.

20 (E) LABOR ORGANIZATION.—The term
21 “labor organization” means an organization—

22 (i) in which employees participate,

23 (ii) which exists for the purpose, in
24 whole or in part, of dealing with employers
25 concerning grievances, labor disputes,

1 wages, rates of pay, hours of employment,
2 or conditions of work, and

3 (iii) which is described in section
4 501(c)(5) of the Internal Revenue Code of
5 1986.

6 (F) NONBANK FINANCIAL SERVICE PRO-
7 VIDER.—The term “nonbank financial service
8 provider” mean an entity that engages in finan-
9 cial services activities, as authorized under the
10 Federal Reserve Board, 12 Code of Federal
11 Regulations Part 225, Regulation Y.

12 (d) APPLICATION.—An eligible entity shall submit an
13 application to the Secretary of the Treasury in such form
14 and containing such information as the Secretary may re-
15 quire.

16 (e) EVALUATION AND REPORT.—For each fiscal year
17 in which a grant is awarded under this section, the Sec-
18 retary of the Treasury shall submit a report to Congress
19 containing a description of the activities funded, amounts
20 distributed, and measurable results, as appropriate and
21 available.

22 (f) POWER AND AUTHORITY OF THE SECRETARY.—
23 (1) ASSISTANCE.—Subject to appropriations,
24 the Secretary of the Treasury may provide financial
25 and technical assistance to awardees for expanding

1 the distribution of financial services, including
2 through financial services electronic networks.

3 (2) RESEARCH AND DEVELOPMENT.—The Sec-
4 retary of the Treasury may conduct or support such
5 research and development as the Secretary considers
6 appropriate in order to further the purpose of this
7 section, including the collection of information about
8 access to financial services.

9 (3) REGULATIONS.—The Secretary of the
10 Treasury is authorized to promulgate regulations to
11 implement and administer the program under this
12 section.

13 (g) STUDY ON DELIVERY OF TAX REFUNDS.—

14 (1) IN GENERAL.—The Secretary of the Treas-
15 ury, in consultation with the National Taxpayer Ad-
16 vocate, shall conduct a study on the feasibility of de-
17 livering tax refunds on debit cards, prepaid cards,
18 and other electronic means to assist individuals that
19 do not have access to financial accounts or institu-
20 tions.

21 (2) REPORT.—Not later than 1 year after the
22 date of enactment of this Act, the Secretary of the
23 Treasury shall submit a report to Congress con-
24 taining the results of the study conducted under
25 paragraph (1).

1 **SEC. 308. ADDITIONAL STUDIES.**

2 (a) STUDY ON ACCELERATED PROCESSING OF IN-
3 FORMATION RETURNS.—

4 (1) FINDINGS.—Congress finds the following:

5 (A) Under current procedures, the Internal
6 Revenue Service processes income tax returns
7 before it processes most information returns,
8 including Forms W-2, which report wages and
9 tax withholding, and Forms 1099, which report
10 interest, dividends, and other payments.

11 (B) The sequence described in subpara-
12 graph (A) makes little logical sense.

13 (C) From a taxpayer perspective, the se-
14 quence leads to millions of cases where tax-
15 payers inadvertently make overclaims that the
16 Internal Revenue Service does not identify until
17 months later, exposing the taxpayer not only to
18 a tax liability but to penalties and interest
19 charges as well.

20 (D) From the Federal Government's per-
21 spective, this sequence creates opportunities for
22 fraud and requires the Internal Revenue Service
23 to devote resources to recovering refunds that
24 should not have been paid and that it often
25 cannot recover.

1 (2) STUDY.—The Secretary of the Treasury, in
2 consultation with the National Taxpayer Advocate,
3 shall conduct a study to identify and recommend leg-
4 islative and administrative changes that would en-
5 able the Internal Revenue Service to receive and
6 process information reporting documents before it
7 processes tax returns. In conducting the study, the
8 Secretary shall consider, among other factors, the
9 issues identified in the National Taxpayer Advo-
10 cate’s 2009 Annual Report to Congress.

11 (3) REPORT.—Not later than 1 year after the
12 date of enactment of this Act, the Secretary of the
13 Treasury shall submit a report to Congress describ-
14 ing the results of the study conducted under para-
15 graph (2).

16 (b) STUDY ON THE EFFECTIVENESS OF COLLECTION
17 ALTERNATIVES.—

18 (1) IN GENERAL.—The Secretary of the Treas-
19 ury, in consultation with the National Taxpayer Ad-
20 vocate, shall conduct a study to assess the effective-
21 ness of collection alternatives, especially offers in
22 compromise, on long-term tax compliance. Such a
23 study shall analyze a group of taxpayers who applied
24 for offers in compromise 5 or more years ago and
25 compare the amount of revenue collected from the

1 taxpayers whose offers were accepted with the
2 amount of revenue collected from the taxpayers
3 whose offers were rejected, and compare, among the
4 taxpayers whose offers were rejected, the amount
5 they offered with the amounts collected.

6 (2) REPORT.—Not later than 1 year after the
7 date of enactment of this Act, the Secretary of the
8 Treasury shall submit a report to Congress con-
9 taining the results of the study conducted under
10 paragraph (1).

○