

113TH CONGRESS
1ST SESSION

H. R. 556

To amend the Internal Revenue Code of 1986 to require individuals to include their social security numbers on the income tax return as a condition of claiming the refundable portion of the child tax credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 2013

Mr. SAM JOHNSON of Texas 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 require individuals to include their social security numbers on the income tax return as a condition of claiming the refundable portion of the child tax credit, 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.**

4 This Act may be cited as the “Refundable Child Tax
5 Credit Eligibility Verification Reform Act of 2013”.

1 **SEC. 2. SOCIAL SECURITY NUMBER REQUIRED TO CLAIM**
 2 **THE REFUNDABLE PORTION OF THE CHILD**
 3 **TAX CREDIT.**

4 (a) IN GENERAL.—Subsection (d) of section 24 of the
 5 Internal Revenue Code of 1986 is amended by inserting
 6 after paragraph (4) the following new paragraph:

7 “(5) IDENTIFICATION REQUIREMENT WITH RE-
 8 SPECT TO TAXPAYER.—

9 “(A) IN GENERAL.—Paragraph (1) shall
 10 not apply to any taxpayer for any taxable year
 11 unless the taxpayer includes the taxpayer’s so-
 12 cial security number on the return of tax for
 13 such taxable year.

14 “(B) JOINT RETURNS.—In the case of a
 15 joint return, the requirement of subparagraph
 16 (A) shall be treated as met if the social security
 17 number of either spouse is included on such re-
 18 turn.

19 “(C) LIMITATION.—Subparagraph (A)
 20 shall not apply to the extent the tentative min-
 21 imum tax (as defined in section 55(b)(1)(A))
 22 exceeds the credit allowed under section 32.”.

23 (b) OMISSION TREATED AS MATHEMATICAL OR
 24 CLERICAL ERROR.—Subparagraph (I) of section
 25 6213(g)(2) of such Code is amended to read as follows:

1 “(I) an omission of a correct social secu-
 2 rity number required under section 24(d)(5)
 3 (relating to refundable portion of child tax cred-
 4 it), or a correct TIN under section 24(e) (relat-
 5 ing to child tax credit), to be included on a re-
 6 turn,”.

7 (c) CONFORMING AMENDMENT.—Subsection (e) of
 8 section 24 of such Code is amended by inserting “WITH
 9 RESPECT TO QUALIFYING CHILDREN” after “IDENTI-
 10 FICATION REQUIREMENT” in the heading thereof.

11 (d) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to taxable years beginning after
 13 the date of the enactment of this Act.

14 **SEC. 3. RESTRICTIONS ON TAXPAYERS WHO IMPROPERLY**
 15 **CLAIMED REFUNDABLE PORTION OF THE**
 16 **CHILD TAX CREDIT IN PRIOR YEAR.**

17 (a) IN GENERAL.—Subsection (d) of section 24 of the
 18 Internal Revenue Code of 1986 is amended by inserting
 19 after paragraph (5) the following new paragraph:

20 “(6) RESTRICTIONS ON TAXPAYERS WHO IM-
 21 PROPERLY CLAIMED CREDIT IN PRIOR YEAR.—

22 “(A) TAXPAYERS MAKING PRIOR FRAUDU-
 23 LENT OR RECKLESS CLAIMS.—

1 “(i) IN GENERAL.—No credit shall be
2 allowed under this subsection for any tax-
3 able year in the disallowance period.

4 “(ii) DISALLOWANCE PERIOD.—For
5 purposes of clause (i), the disallowance pe-
6 riod is—

7 “(I) the period of 10 taxable
8 years after the most recent taxable
9 year for which there was a final deter-
10 mination that the taxpayer’s claim of
11 credit under this subsection was due
12 to fraud, and

13 “(II) the period of 2 taxable
14 years after the most recent taxable
15 year for which there was a final deter-
16 mination that the taxpayer’s claim of
17 credit under this subsection was due
18 to reckless or intentional disregard of
19 rules and regulations (but not due to
20 fraud).

21 “(B) TAXPAYERS MAKING IMPROPER
22 PRIOR CLAIMS.—In the case of a taxpayer who
23 is denied credit under this subsection for any
24 taxable year as a result of the deficiency proce-
25 dures under subchapter B of chapter 63, no

credit shall be allowed under this subsection for any subsequent taxable year unless the taxpayer provides such information as the Secretary may require to demonstrate eligibility for such credit.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 4. CHECKLIST FOR PAID PREPARERS TO VERIFY ELIGIBILITY FOR REFUNDABLE PORTION OF THE CHILD TAX CREDIT; PENALTY FOR FAILURE TO MEET DUE DILIGENCE REQUIREMENTS.

(a) IN GENERAL.—The Secretary of the Treasury (or the Secretary’s delegate) shall prescribe a form (similar to Form 8867) which is required to be completed by paid income tax return preparers in connection with claims for the refundable portion of the child tax credit under section 24(d) of the Internal Revenue Code of 1986.

(b) PENALTY.—Section 6695 of the Internal Revenue Code of 1986 (relating to other assessable penalties with respect to the preparation of tax returns for other persons) is amended by adding at the end the following new subsection:

1 “(h) FAILURE TO BE DILIGENT IN DETERMINING
2 ELIGIBILITY FOR REFUNDABLE PORTION OF CHILD TAX
3 CREDIT.—Any person who is a tax return preparer with
4 respect to any return or claim for refund who fails to com-
5 ply with due diligence requirements imposed by the Sec-
6 retary by regulations with respect to determining eligi-
7 bility for, or the amount of, the credit allowable by section
8 24(d) shall pay a penalty of \$500 for each such failure.”.

9 (c) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 the date of the enactment of this Act.

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