

114TH CONGRESS
1ST SESSION

H. R. 3856

To amend the Internal Revenue Code of 1986 to provide a safe harbor
for de minimis errors on information returns and payee statements.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 28, 2015

Mr. RENACCI (for himself and Mr. CARNEY) 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 provide
a safe harbor for de minimis errors on information re-
turns and payee statements.

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 “Information Reporting
5 Simplification Act of 2015”.

6 **SEC. 2. SAFE HARBOR FOR DE MINIMIS ERRORS ON INFOR-**
7 **MATION RETURNS AND PAYEE STATEMENTS.**

8 (a) IN GENERAL.—Section 6721(c) of the Internal
9 Revenue Code of 1986 is amended by adding at the end
10 the following new paragraph:

1 “(3) SAFE HARBOR FOR CERTAIN DE MINIMIS
2 ERRORS.—

3 “(A) IN GENERAL.—If, with respect to an
4 information return filed with the Secretary—

5 “(i) there are 1 or more failures de-
6 scribed in subsection (a)(2)(B) relating to
7 an incorrect dollar amount,

8 “(ii) no single amount in error differs
9 from the correct amount by more than
10 \$100, and

11 “(iii) no single amount reported for
12 tax withheld on any information return dif-
13 fers from the correct amount by more than
14 \$25,

15 then no correction shall be required and, for
16 purposes of this section, such return shall be
17 treated as having been filed with all of the cor-
18 rect required information.

19 “(B) EXCEPTION.—Subparagraph (A)
20 shall not apply with respect to any incorrect
21 dollar amount to the extent that such error re-
22 lates to an amount with respect to which an
23 election is made under section 6722(c)(3)(B).

24 “(C) REGULATORY AUTHORITY.—The Sec-
25 retary may issue regulations to prevent the

1 abuse of the safe harbor under this paragraph,
2 including regulations providing that this para-
3 graph shall not apply to the extent necessary to
4 prevent any such abuse.”.

5 (b) FAILURE TO FURNISH CORRECT PAYEE STATE-
6 MENT.—Section 6722(c) of such Code is amended by add-
7 ing at the end the following new paragraph:

8 “(3) SAFE HARBOR FOR CERTAIN DE MINIMIS
9 ERRORS.—

10 “(A) IN GENERAL.—If, with respect to any
11 payee statement—

12 “(i) there are 1 or more failures de-
13 scribed in subsection (a)(2)(B) relating to
14 an incorrect dollar amount,

15 “(ii) no single amount in error differs
16 from the correct amount by more than
17 \$100, and

18 “(iii) no single amount reported for
19 tax withheld on any information return dif-
20 fers from the correct amount by more than
21 \$25,

22 then no correction shall be required and, for
23 purposes of this section, such statement shall be
24 treated as having been filed with all of the cor-
25 rect required information.

1 “(B) EXCEPTION.—Subparagraph (A)
 2 shall not apply to any payee statement if the
 3 person to whom such statement is required to
 4 be furnished makes an election (at such time
 5 and in such manner as the Secretary may pre-
 6 scribe) that subparagraph (A) not apply with
 7 respect to such statement.

8 “(C) REGULATORY AUTHORITY.—The Sec-
 9 retary may issue regulations to prevent the
 10 abuse of the safe harbor under this paragraph,
 11 including regulations providing that this para-
 12 graph shall not apply to the extent necessary to
 13 prevent any such abuse.”.

14 (c) APPLICATION TO BROKER REPORTING OF
 15 BASIS.—Section 6045(g)(2)(B) of such Code is amended
 16 by adding at the end the following new clause:

17 “(iii) TREATMENT OF UNCORRECTED
 18 DE MINIMIS ERRORS.—Except as otherwise
 19 provided by the Secretary, the customer’s
 20 adjusted basis shall be determined by
 21 treating any incorrect dollar amount which
 22 is not required to be corrected by reason of
 23 section 6721(c)(3) as the correct
 24 amount.”.

25 (d) CONFORMING AMENDMENTS.—

1 (1) Section 6721(c) of such Code is amended by
2 striking “EXCEPTION FOR DE MINIMIS FAILURES
3 TO INCLUDE ALL REQUIRED INFORMATION” in the
4 heading and inserting “EXCEPTIONS FOR CERTAIN
5 DE MINIMIS FAILURES”.

6 (2) Section 6721(c)(1) of such Code is amended
7 by striking “IN GENERAL” in the heading and in-
8 serting “EXCEPTION FOR DE MINIMIS FAILURE TO
9 INCLUDE ALL REQUIRED INFORMATION”.

10 (e) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to returns required to be filed, and
12 payee statements required to be provided, on or after the
13 date of the enactment of this Act.

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