

119TH CONGRESS
1ST SESSION

S. 96

To amend the Internal Revenue Code of 1986 to prohibit certain activities constituting preparation of tax returns by the Secretary of the Treasury, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 15, 2025

Mrs. BLACKBURN (for herself, Mr. DAINES, Mr. TILLIS, Mr. BARRASSO, Mr. RICKETTS, Mr. SCHMITT, Mr. HAGERTY, Mr. RISCH, Mrs. CAPITO, Mr. MARSHALL, and Mr. CRAMER) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to prohibit certain activities constituting preparation of tax returns by the Secretary of the Treasury, 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 “Fostering Autonomy
5 in Independent Returns by Prohibiting Redundant and
6 Extralegal Programs Act of 2025” or the “FAIR PREP
7 Act of 2025”.

1 **SEC. 2. PROHIBITION OF CERTAIN RETURN PREPARATION.**

2 (a) IN GENERAL.—Section 6020 of the Internal Rev-
3 enue Code of 1986 is amended by adding at the end the
4 following new subsection:

5 “(c) PROHIBITED PREPARATION BY SECRETARY.—

6 “(1) IN GENERAL.—Except as provided in sec-
7 tion 6014 and subsections (a) and (b) of this sec-
8 tion, the Secretary shall not prepare any return of
9 tax imposed by this title or any claim for refund of
10 tax imposed by this title.

11 “(2) PROHIBITION OF DIRECT FILE AND COM-
12 PARABLE PROGRAMS.—For purposes of paragraph
13 (1), any return or claim for refund prepared using
14 an electronic tax preparation service operated by the
15 Secretary shall be treated as if such return or claim
16 were prepared by the Secretary.

17 “(3) QUALIFIED RETURN PREPARATION PRO-
18 GRAMS AND IRS FREE FILE PARTNERSHIP.—Para-
19 graph (2) shall not apply to any return or claim for
20 refund solely because such return or claim for re-
21 fund was prepared via, or with the assistance of—

22 “(A) a qualified return preparation pro-
23 gram (as defined in section 7526A(e)), or

24 “(B) the IRS Free File Program as estab-
25 lished by the Internal Revenue Service and pub-
26 lished in the Federal Register on November 4,

2002 (67 Fed. Reg. 67247), including any subsequent agreements and governing rules established pursuant thereto.

“(4) DEFINITIONS.—For purposes of this subsection—

“(A) TAX RETURN PREPARATION.—

“(i) IN GENERAL.—The term ‘prepare’ with respect to any return or claim for refund means—

“(I) the completion of any form and schedule needed to compute and report any tax imposed by this title or any claim for refund of such a tax, and

“(II) the filing of any such return or claim for refund, regardless of whether such return or claim is submitted electronically or on paper.

For purposes of the preceding sentence, the preparation of any portion of a return or claim for refund shall be treated as if it were the preparation of such return or claim for refund.

“(ii) COMPUTATION AND CORRECTION OF ERRORS, ETC.—

1 “(I) IN GENERAL.—Such term
 2 shall not include any computation au-
 3 thorized by section 6102 or any other
 4 computation or correction of mathe-
 5 matical or clerical errors required or
 6 authorized by any provision of chapter
 7 63.

8 “(II) FILLABLE FORMS.—Such
 9 term shall not include the provision of
 10 fillable forms by the Secretary merely
 11 because such forms include an auto-
 12 mated calculation feature.

13 “(B) ELECTRONIC TAX PREPARATION
 14 SERVICE.—The term ‘electronic tax preparation
 15 service operated by the Secretary’ means the
 16 free direct e-file tax return system as estab-
 17 lished by the Internal Revenue Service and pub-
 18 lished in the Federal Register on December 15,
 19 2023 (88 Fed. Reg. 87057), and September 5,
 20 2024 (89 Fed. Reg. 72699), and any successor
 21 program of the Internal Revenue Service which
 22 provides an electronic tax preparation service
 23 option.”.

24 (b) EFFECTIVE DATE.—The amendment made by
 25 this section shall apply to returns filed after the date

1 which is 30 days after the date of the enactment of this
2 Act.

3 (c) NO INFERENCE.—The amendment made by this
4 section shall not be construed to create any inference with
5 respect to the authority of the Secretary of the Treasury
6 (or any delegate of such Secretary) to develop and offer
7 for use any electronic tax filing or tax preparation service
8 option, or otherwise engage in the preparation of any re-
9 turn of tax or any claim for refund of tax imposed by the
10 Internal Revenue Code of 1986, with respect to any tax-
11 able year beginning on or before the date of the enactment
12 of this Act.

13 **SEC. 3. LIMITATION ON FURTHER EXPENDITURES CIRCUM-**
14 **VENTING CONGRESSIONAL AUTHORITY.**

15 The Secretary of the Treasury (or any delegate of
16 such Secretary) may not award or make payment of
17 grants or enter into or maintain any contract, other trans-
18 action, or reimbursable agreement for the development or
19 operation of an electronic tax preparation service option
20 after the date of the enactment of this Act unless other-
21 wise authorized by law.

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