

that is to be cavalier about taxpayer information. It hasn't just been leaked through emails. It has been leaked in other sources and in other ways and shapes and iterations, but the effect is the same, and the effect is devastating.

So this takes away any ambiguity that somebody can use their own private email account and begin to do official activity. If that is the bright line that is necessary, that is the bright line that Mr. MARCHANT's bill creates.

So what we want to make sure is that we do more than simply say Lois doesn't work here anymore, as if that is the remedy, but to actually change these underlying policies, reclaim this authority, and make sure that this can never happen again.

Mr. LEWIS. Mr. Speaker, I don't have any other speakers.

I yield back the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. MARCHANT) for the purpose of closing.

Mr. MARCHANT. Mr. Speaker, today is the day that we should declare that the IRS cannot take our personal tax information and put it on their private email account so that it could be subject to discovery by other people and people who will not observe and revere that information.

I urge passage today of H.R. 1152.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DENHAM). The question is on the motion offered by the gentleman from Wisconsin (Mr. RYAN) that the House suspend the rules and pass the bill, H.R. 1152, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

TAXPAYER KNOWLEDGE OF IRS INVESTIGATIONS ACT

Mr. RYAN of Wisconsin. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1026) to amend the Internal Revenue Code of 1986 to permit the release of information regarding the status of certain investigations, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1026

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Knowledge of IRS Investigations Act".

SEC. 2. RELEASE OF INFORMATION REGARDING THE STATUS OF CERTAIN INVESTIGATIONS.

(a) IN GENERAL.—Section 6103(e) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

"(11) DISCLOSURE OF INFORMATION REGARDING STATUS OF INVESTIGATION OF VIOLATION OF THIS SECTION.—In the case of a person who provides to the Secretary information indicating a viola-

tion of section 7213, 7213A, or 7214 with respect to any return or return information of such person, the Secretary may disclose to such person (or such person's designee)—

"(A) whether an investigation based on the person's provision of such information has been initiated and whether it is open or closed,

"(B) whether any such investigation substantiated such a violation by any individual, and

"(C) whether any action has been taken with respect to such individual (including whether a referral has been made for prosecution of such individual)."

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to disclosures made on or after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. RYAN) and the gentleman from Georgia (Mr. LEWIS) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin.

GENERAL LEAVE

Mr. RYAN of Wisconsin. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1026, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RYAN of Wisconsin. At this time, I would like to thank Mr. KELLY, a member of the Ways and Means Committee, along with the minority ranking member for their diligence in uncovering this problem also. You are seeing a theme here, Mr. Speaker, which is both the Republican and Democratic side of the Ways and Means Committee in conducting oversight saw abuses that needed to be fixed. We are fixing these abuses so that they can't happen again, in this statute.

For the purpose of describing this particular legislation, I would like to yield such time as he may consume to the gentleman from Pennsylvania (Mr. KELLY), the author of the bill.

Mr. KELLY of Pennsylvania. I thank the chairman for yielding me this time.

Mr. Speaker, H.R. 1026, as has been described, this actually had come before Congress before. Dr. BOUSTANY and Mr. ROSKAM have presented this. This is about taxpayer knowledge of IRS investigations.

Now, this would make sense to almost everybody to understand what exactly has been going on. Under section 6103 in the Tax Code, it is a felony to disclose or to compromise people's tax information and give it to other groups to work with. We shouldn't have to pass laws like this; but unfortunately, laws are not made and governments are not run by angels but they are run by men, so we have to have oversight over what has happened.

This piece of legislation gives the same rights to those people whose information has been violated, whose information has been compromised, as is given to IRS personnel. We found out 2

years ago, and Dr. John Eastman really made the point of it for the National Organization for Marriage, their tax information on their people, their members, was given out, and it went to Human Rights Campaign. Now, you would think by the name of that that it makes sense, Human Rights Campaign, those are probably good people, but you cannot divulge private tax information to anybody else. It is a felony to do that. But section 6103 also prevented those whose tax information was divulged, they couldn't get information on it. They weren't allowed to even inquire and were not allowed to be informed of what was taking place. Did it in fact take place? Well, we knew it took place because it was out in the public.

Secondly, who was it who divulged it? We don't know. We can't talk to you about that because that is protected under the Tax Code.

Well, is there an investigation? We can't tell you that either, because that is protected. We can't tell you who it was who divulged it, who they divulged it to, is there an investigation or is there not an investigation. And at the end of it, was there proof found that this was actually done? If so, what is the penalty for it? Those are basic tenets of what we are as Americans.

So I submit to people, this is not a Republican or Democrat issue, as we know it—Mr. LEWIS is a good friend of mine—it is American tenets. It is what we firmly believe as Americans. Nobody should be able to do that to us; and if they do that to us, we should be able to inquire about the status of that. This piece of legislation gives every single taxpayer the same rights as those doing the investigation, those doing the leaks and the findings.

Now, if we are to restore the American people's confidence in our form of government, this is essential. We can't allow these things to happen and then say, well, we could have helped you except for one thing in the Tax Code, section 6103(e). What is going to happen, those people are going to look at us and say: I have absolutely no idea what you are talking about. We say: Well, we can't really let you know what happened.

So if it really is an American principle and if we really do need to have faith and trust and feel that we are all being treated the same way and in an honest way, and if that is the only way to restore the confidence that the people need to have and the trust they have in our form of government and those of us who they have sent to represent them, then this type of legislation has to take place.

I am so proud of what our Committee on Ways and Means is doing today under Chairman RYAN and under Mr. ROSKAM. What are we doing? We are protecting taxpayers and taxpayers' rights. This is so fundamentally American. This shouldn't be anything you even have to stop and think about.

So what we are proposing today under H.R. 1026 is that the taxpayers

have the same information and the same knowledge of what is going on with their accounts, what has been divulged, who divulged it, is there an ongoing investigation, what were the findings of that investigation and who is being held responsible, and more important than that, who is being held accountable? These are felonies. Until we get to the point where the American people have faith and trust in us again and restore their confidence, we have nothing.

In America's House, we as Members have got to make sure that every single day we safeguard the rights of every single American. Unfortunately, this has not taken place in the past, and we have to move forward with it.

I do know that today being April 15 is a day that most people dread. Listen, tax revenues are necessary. We need to have an agency to collect them. But by the same token, when it turns out that those people in that agency—and not all of them, but we have some people in there that are violating individuals' rights, then we have to come forward and we have to champion legislation that protects the same people who voted us into office and sent us to defend them.

Mr. LEWIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1026, the Taxpayer Knowledge of IRS Investigations Act.

Earlier this afternoon, the House passed H.R. 1058, the Taxpayer Bill of Rights Act. Two of the rights included in that bill were the right to confidentiality, the right to be informed. This bill complements that legislation.

Generally, tax returns are confidential and may not be disclosed unless authorized by the Internal Revenue Code. Section 6103 of the Code provides certain exceptions. These do not include telling a taxpayer if there has been an unauthorized disclosure of his or her tax return information. Fines, criminal penalties, or both apply to the unauthorized inspection or disclosure of tax return information.

H.R. 1026 would allow the Internal Revenue Service to update a taxpayer on the status of investigations of unauthorized disclosure of his or her tax return. They would be allowed to know whether the investigation started, is open, or is closed.

This is a simple, commonsense bill. Taxpayers have a right to know if their tax return information has been compromised.

□ 1415

I want to thank my friend, the gentleman from Pennsylvania, my Republican colleague; the ranking member of the subcommittee; and the chairman for bringing this bill to the floor today.

Mr. Speaker, I reserve the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, may I inquire as to how much time is remaining on each side, please?

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. RYAN) has

17½ minutes remaining, and the gentleman from Georgia (Mr. LEWIS) has 18 minutes remaining.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself 4 minutes.

This one, this case, really boils my blood. Let me just try and describe in a simple way what Mr. KELLY is fixing here and what happened to honest, hard-working taxpayers in America in this case.

There is an organization that is a nonprofit organization advocating freely in our free speech society for their view on a cause—I won't even say what cause it is—advocating for their view, a charitable nonprofit.

The Internal Revenue Service took their confidential filing and list of their donors to their cause, and the Internal Revenue Service broke the law and leaked it to an outside individual not with the Internal Revenue Service. This list of donors to this cause went out on the Internet. It was released to the public by the opponents of this cause.

Guess what happened. The people who confidentially, privately donated—exercising their free speech rights to advocate for a cause—found themselves intimidated, found themselves harassed because their personal, private information had been released by the IRS to the public.

This organization asked the Internal Revenue Service: What just happened? How did this private document with the private information of our donors to our cause get out there on the Internet and hosted on the page by our opponents of our cause?

The Internal Revenue Service in turn said: We can't answer your question.

The advocates of the cause, trying to defend the privacy of their donors—a free speech right—said: Well, are you investigating this? Are you looking into this? Are you holding somebody responsible? Is there an investigation into how this private information got out on the Internet?

They said: We can't answer that question.

Unbelievable—that is not freedom; that is not liberty. That is not how this IRS will ever act again if we have any say-so over this.

That is why Mr. KELLY is writing this bill, to make sure that people's privacy is protected and that it is not leaked to the public or to the opponents of a cause that they care about.

I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM), the chairman of the subcommittee.

Mr. ROSKAM. Mr. Speaker, you are noticing a theme here, and that is intimidation and impunity. That is a bad combination when a culture of impunity develops and an agency says: We can do what we want, when we want, and how we want to; and we can intimidate who we want, how we want, and when we want to.

Said another way, here is what the IRS did: the IRS broke the law, and then they used the law to conceal it.

They broke the law, and they used the law. That is a manipulation. That is a manipulation that no side of this Congress is going to stand for.

That is a manipulation that has to be answered. That is a manipulation that has to be put down, that we cannot be complicit with. You cannot break the law and then use the law to conceal it. That is exactly what happened in this case.

In other words, the IRS releases this information in violation of the law; and then, when they are asked about it, they say: Well, we would just love to tell you about it, but it is against the law for us to tell you about it.

That is ridiculous. That is so jarring that now we have had a situation and we have had a culture that has developed over a period of time at the Internal Revenue Service where breaking the law and using the law to conceal it is considered what? It is considered normal.

I am proud of the House today because the sensibilities of the House of Representatives is to say that is not normal, that is not acceptable, that is not right, and that will not be tolerated.

Mr. LEWIS. Mr. Speaker, I support the piece of legislation.

I yield back the balance of my time.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield the balance of my time to the gentleman from Pennsylvania (Mr. KELLY) for the purpose of closing.

Mr. KELLY of Pennsylvania. Mr. Speaker, I agree with everything my colleagues have said. I think Americans need to look at what is going on in their House—America's House—today and to understand that we do understand the difference between right and wrong. We also understand that sometimes absolute power corrupts absolutely.

We started years ago looking into this. We still don't have all the answers. I would just tell some of our fellow citizens that we are not done yet because we knew those things have happened.

I think what the chairman has expressed and Mr. ROSKAM has expressed is the outrage we feel because it is not only our responsibility, it is our duty to protect every single one of America's citizens. To divulge the information that was divulged and to do it in such a way to use the law to break the law makes absolutely no sense to any of us.

This isn't really about either side of the aisle. This is about all of us, together, doing what is right for the American people. This should reaffirm to the American people that we are here acting in their best interest and defending them every single day that we sit in session and that we sit in office.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Wisconsin (Mr.

RYAN) that the House suspend the rules and pass the bill, H.R. 1026, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ENSURING TAX EXEMPT ORGANIZATIONS THE RIGHT TO APPEAL ACT

Mr. RYAN of Wisconsin. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1314) to amend the Internal Revenue Code of 1986 to provide for a right to an administrative appeal relating to adverse determinations of tax-exempt status of certain organizations, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1314

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Ensuring Tax Exempt Organizations the Right to Appeal Act".

SEC. 2. ADMINISTRATIVE APPEAL RELATING TO ADVERSE DETERMINATIONS OF TAX-EXEMPT STATUS OF CERTAIN ORGANIZATIONS.

(a) IN GENERAL.—Section 7123 of the Internal Revenue Code of 1986 is amended by adding at the end of the following:

“(c) ADMINISTRATIVE APPEAL RELATING TO ADVERSE DETERMINATION OF TAX-EXEMPT STATUS OF CERTAIN ORGANIZATIONS.—

“(1) IN GENERAL.—The Secretary shall prescribe procedures under which an organization which claims to be described in section 501(c) may request an administrative appeal (including a conference relating to such appeal if requested by the organization) to the Internal Revenue Service Office of Appeals of an adverse determination described in paragraph (2).

“(2) ADVERSE DETERMINATIONS.—For purposes of paragraph (1), an adverse determination is described in this paragraph if such determination is adverse to an organization with respect to—

“(A) the initial qualification or continuing qualification of the organization as exempt from tax under section 501(a) or as an organization described in section 170(c)(2),

“(B) the initial classification or continuing classification of the organization as a private foundation under section 509(a), or

“(C) the initial classification or continuing classification of the organization as a private operating foundation under section 4942(j)(3).”.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to determinations made on or after May 19, 2014.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. RYAN) and the gentleman from Georgia (Mr. LEWIS) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin.

GENERAL LEAVE

Mr. RYAN of Wisconsin. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 1314, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. RYAN of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

I thank the gentleman from Pennsylvania (Mr. MEEHAN) for his work in crafting this legislation and for bringing it to the floor. This, too, is one of the important things that we needed to do to restore some trust and confidence and accountability at the Internal Revenue Service.

For the purpose of describing the legislation, I yield such time as he may consume to the gentleman from Pennsylvania (Mr. MEEHAN).

Mr. MEEHAN. I thank the chairman for his recognition and support of this very, very—once again—thematically important bill.

Mr. Speaker, I rise today in support of what is commonsense legislation, H.R. 1314. What it does is gives tax-exempt status applicants whose application is denied the right to appeal that decision. That seems fundamental, doesn't it, in a country like ours, where the Constitution built within it the concept of the right to petition your government for the decisions that they make.

The purpose of the legislation is simple. What it will do is codify in statute the requirement for the IRS to create a mechanism by which 501(c) organizations—tax-exempt organizations—if they get an adverse determination of their tax-exempt status, they can request an administrative appeal to the agency's internal Office of Appeals.

My colleague from Illinois talked about the concept here of impunity. To me, this is a lot of what this speaks to. The idea that an administrative agency—in this case, the IRS—will take this application and then would make a decision—it was because of the good work that was done in the previous Congress by this committee and the Oversight Subcommittee of this committee, that they exposed the reality that, in many cases, these particular appeals, these particular decisions, were being made after the applicant was being targeted because of the fact that they had chosen to express particular political views in the context of their application.

What was done was that those applications, once denied, were diverted to a different part of the structure in which they went to die. That made the IRS the judge; the jury; and, in fact, the executioner because you were done with respect to your application. There was no place else to go.

Now, I have to say that, when this came to light because of the work of this committee, the IRS did issue interim guidance in May 2014 that ensured that all groups subject to a denial would have the right to appeal the decision.

This bill today, H.R. 1314, codifies that guidance into law so there is no

ambiguity and that, once again, we don't have the ability of the IRS to indiscriminately and sua sponte make their own decisions about when American taxpayers should have the right to be able to petition for an appeal of an adverse decision.

Mr. Speaker, I will enter in the RECORD a letter from the Small Business and Entrepreneurship Council which supports the legislation.

The group writes: "H.R. 1314 is an important bill as it allows taxpayers an additional right to petition their government when they disagree with a decision."

That is the fundamental challenge that we have to the impunity which has been taking place.

SMALL BUSINESS AND
ENTREPRENEURSHIP COUNCIL,
Vienna, VA, April 13, 2015.

Hon. PAT MEEHAN,
Cannon Building,
Washington, DC.

DEAR REPRESENTATIVE MEEHAN: The Small Business and Entrepreneurship Council is pleased to support H.R. 1314, a bill that would allow for an appeals process for those organizations that are denied tax-exempt status by the Internal Revenue Service (IRS).

H.R. 1314 is an important bill as it allows taxpayers an additional right to petition their government when they disagree with a decision by the IRS to deny tax-exempt status. Given the clear and well-documented bias by IRS staff that thwarted and delayed the approval of organizations based on their ideology, more accountability and protection for taxpayers is needed. H.R. 1314 provides that check.

Thank you for your leadership on this important issue.

Sincerely,

KAREN KERRIGAN,
President & CEO.

Mr. MEEHAN. I urge my colleagues, as they have on our subcommittee and our committee with their unanimous support from both sides of the aisle, to support this commonsense taxpayer protection and to send an unmistakable signal to the American taxpayers that they should not be targeted by the IRS for their political views.

Mr. LEWIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1314. Currently, not all 501(c) organizations are able to appeal decisions regarding the application for tax-exempt status; instead, the right to appeal depends on whether the application was processed inside the Internal Revenue Service.

This bill would give the right of an administrative appeal to all organizations that apply for tax-exempt status. It is a good, commonsense bill. I urge all of my colleagues on both sides of the aisle to vote "yes" on H.R. 1314, and I thank the chair of our full committee and the sponsor of this bill.

I reserve the balance of my time.

Mr. RYAN of Wisconsin. I thank the gentleman from Georgia as well for his comments.

Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. ROSKAM), the chairman of the subcommittee.