

## NOES—177

Adams	Gabbard	Nadler
Aguilar	Gallego	Napolitano
Amash	Garamendi	Neal
Barragán	Gomez	Norcross
Bass	Gonzalez (TX)	O'Rourke
Beatty	Green, Al	Pallone
Bera	Green, Gene	Panetta
Beyer	Grijalva	Pascarell
Bishop (GA)	Gutiérrez	Payne
Blunt Rochester	Hanabusa	Pelosi
Bonamici	Hastings	Perlmutter
Boyle, Brendan	Heck	Peterson
F.	Higgins (NY)	Pingree
Brady (PA)	Himes	Pocan
Brown (MD)	Hoyer	Polis
Brownley (CA)	Huffman	Price (NC)
Bustos	Jackson Lee	Quigley
Butterfield	Jayapal	Raskin
Capuano	Jeffries	Rice (NY)
Cárdenas	Johnson (GA)	Richmond
Carson (IN)	Johnson, E. B.	Roybal-Allard
Cartwright	Kaptur	Ruiz
Castor (FL)	Kelly (IL)	Ruppersberger
Castro (TX)	Kennedy	Rush
Chu, Judy	Khanna	Ryan (OH)
Cicilline	Kihuen	Sánchez
Clark (MA)	Kildee	Sarbanes
Clarke (NY)	Kilmer	Schakowsky
Clay	Kind	Schiff
Cleaver	Krishnamoorthi	Schrader
Clyburn	Kuster (NH)	Scott (VA)
Cohen	Langevin	Serrano
Connolly	Larsen (WA)	Sewell (AL)
Cooper	Larson (CT)	Shea-Porter
Correa	Lawrence	Sherman
Costa	Lee	Sires
Courtney	Levin	Smith (WA)
Crowley	Lewis (GA)	Soto
Cuellar	Lieu, Ted	Speier
Cummings	Lipinski	Swalwell (CA)
Davis (CA)	Loeb	Swalwell (CA)
Davis, Danny	Lofgren	Takano
DeFazio	Lowenthal	Thompson (CA)
DeGette	Lowe	Thompson (MS)
DeBene	Lujan Grisham,	Titus
Demings	M.	Tonko
DeSaulnier	Luján, Ben Ray	Torres
Deutch	Lynch	Tsongas
Dingell	Maloney,	Vargas
Doggett	Carolyn B.	Veasey
Doyle, Michael	Maloney, Sean	Vela
F.	Massie	Velázquez
Ellison	Matsui	Visclosky
Engel	McCollum	Walz
Eshoo	McEachin	Wasserman
Españillat	McGovern	Schultz
Esty (CT)	McNerney	Waters, Maxine
Evans	Meeks	Watson Coleman
Foster	Meng	Welch
Frankel (FL)	Moore	Wilson (FL)
Fudge	Moulton	Yarmuth

## NOT VOTING—13

Barletta	Comstock	Scalise
Black	Delaney	Scott, David
Blumenauer	DeLauro	Simpson
Bridenstine	Keating	
Brooks (AL)	Nolan	

## ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (during the vote). There are 2 minutes remaining.

□ 1332

Mr. CUMMINGS changed his vote from “aye” to “no.”

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

## PERSONAL EXPLANATION

Mr. SCALISE. Mr. Speaker, I was unavoidably detained. Had I been present, I would have voted “yea” on rollcall No. 143 and “yea” on rollcall No. 144.

## COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following commu-

nication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,  
HOUSE OF REPRESENTATIVES,  
Washington, DC, April 18, 2018.

Hon. PAUL D. RYAN,  
The Speaker, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on April 18, 2018, at 10:55 a.m.:

That the Senate passed S. 1281.  
Appointments:  
Migratory Bird Conservation Commission.  
With best wishes, I am,  
Sincerely,

KAREN L. HAAS.

## TAXPAYER FIRST ACT

Mr. BRADY of Texas. Mr. Speaker, pursuant to House Resolution 831, I call up the bill (H.R. 5444) to amend the Internal Revenue Code of 1986 to modernize and improve the Internal Revenue Service, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 831, the amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, is adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 5444

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

## SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the “Taxpayer First Act”.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title; etc.

## TITLE I—INDEPENDENT APPEALS PROCESS

Sec. 101. Establishment of Internal Revenue Service Independent Office of Appeals.

## TITLE II—IMPROVED SERVICE

Sec. 201. Comprehensive customer service strategy.

Sec. 202. IRS Free File Program.

Sec. 203. Low-income exception for payments otherwise required in connection with a submission of an offer-in-compromise.

## TITLE III—SENSIBLE ENFORCEMENT

Sec. 301. Internal Revenue Service seizure requirements with respect to structuring transactions.

Sec. 302. Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.

Sec. 303. Clarification of equitable relief from joint liability.

Sec. 304. Modification of procedures for issuance of third-party summons.

Sec. 305. Establishment of income threshold for referral to private debt collection.

Sec. 306. Reform of notice of contact of third parties.

Sec. 307. Modification of authority to issue designated summons.

Sec. 308. Limitation on access of non-Internal Revenue Service employees to returns and return information.

## TITLE IV—ORGANIZATIONAL MODERNIZATION

Sec. 401. Modification of title of Commissioner of Internal Revenue and related officials.

Sec. 402. Office of the National Taxpayer Advocate.

Sec. 403. Elimination of IRS Oversight Board.

Sec. 404. Modernization of Internal Revenue Service organizational structure.

## TITLE V—TAX COURT

Sec. 501. Disqualification of judge or magistrate judge of the Tax Court.

Sec. 502. Opinions and judgments.

Sec. 503. Title of special trial judge changed to magistrate judge of the Tax Court.

Sec. 504. Repeal of deadwood related to Board of Tax Appeals.

## TITLE I—INDEPENDENT APPEALS PROCESS

SEC. 101. ESTABLISHMENT OF INTERNAL REVENUE SERVICE INDEPENDENT OFFICE OF APPEALS.

(a) IN GENERAL.—Section 7803 is amended by adding at the end the following new subsection: “(e) INDEPENDENT OFFICE OF APPEALS.—

“(1) ESTABLISHMENT.—There is established in the Internal Revenue Service an office to be known as the ‘Internal Revenue Service Independent Office of Appeals’.

“(2) CHIEF OF APPEALS.—

“(A) IN GENERAL.—The Internal Revenue Service Independent Office of Appeals shall be under the supervision and direction of an official to be known as the ‘Chief of Appeals’. The Chief of Appeals shall report directly to the Administrator of the Internal Revenue Service and shall be entitled to compensation at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code.

“(B) APPOINTMENT.—The Chief of Appeals shall be appointed by the Administrator of the Internal Revenue Service without regard to the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

“(C) QUALIFICATIONS.—An individual appointed under subparagraph (B) shall have experience and expertise in—

“(i) administration of, and compliance with, Federal tax laws,

“(ii) a broad range of compliance cases, and

“(iii) management of large service organizations.

“(3) PURPOSES AND DUTIES OF OFFICE.—It shall be the function of the Internal Revenue Service Independent Office of Appeals to resolve Federal tax controversies without litigation on a basis which—

“(A) is fair and impartial to both the Government and the taxpayer,

“(B) promotes a consistent application and interpretation of, and voluntary compliance with, the Federal tax laws, and

“(C) enhances public confidence in the integrity and efficiency of the Internal Revenue Service.

“(4) RIGHT OF APPEAL.—The resolution process described in paragraph (3) shall be generally available to all taxpayers.

“(5) LIMITATION ON DESIGNATION OF CASES AS NOT ELIGIBLE FOR REFERRAL TO INDEPENDENT OFFICE OF APPEALS.—

“(A) IN GENERAL.—If any taxpayer which is in receipt of notice of deficiency authorized

under section 6212 requests referral to the Internal Revenue Service Independent Office of Appeals and such request is denied, the Administrator of the Internal Revenue Service shall provide such taxpayer a written notice which—

“(i) provides a detailed description of the facts involved, the basis for the decision to deny the request, and a detailed explanation of how the basis of such decision applies to such facts, and

“(ii) describes the procedures proscribed under subparagraph (C) for protesting the decision to deny the request.

“(B) REPORT TO CONGRESS.—The Administrator of the Internal Revenue Service shall submit a written report to Congress on an annual basis which includes the number of requests described in subparagraph (A) which were denied and the reasons (described by category) that such requests were denied.

“(C) PROCEDURES FOR PROTESTING DENIAL OF REQUEST.—The Administrator of the Internal Revenue Service shall prescribe procedures for protesting to the Administrator of the Internal Revenue Service (personally and not through any delegate) a denial of a request described in subparagraph (A).

“(D) NOT APPLICABLE TO FRIVOLOUS POSITIONS.—This paragraph shall not apply to a request for referral to the Internal Revenue Service Independent Office of Appeals which is denied on the basis that the issue involved is a frivolous position (within the meaning of section 6702(c)).

“(G) STAFF.—

“(A) IN GENERAL.—All personnel in the Internal Revenue Service Independent Office of Appeals shall report to the Chief of Appeals.

“(B) ACCESS TO STAFF OF OFFICE OF THE CHIEF COUNSEL.—The Chief of Appeals shall have authority to obtain legal assistance and advice from the staff of the Office of the Chief Counsel. The Chief Counsel shall ensure that such assistance and advice is provided by staff of the Office of the Chief Counsel who were not involved in the case with respect to which such assistance and advice is sought and who are not involved in preparing such case for litigation.

“(7) ACCESS TO CASE FILES.—

“(A) IN GENERAL.—In the case of any specified taxpayer with respect to which a conference with the Internal Revenue Service Independent Office of Appeals has been scheduled, the Chief of Appeals shall ensure that such taxpayer is provided access to the nonprivileged portions of the case file on record regarding the disputed issues (other than documents provided by the taxpayer to the Internal Revenue Service) not later than 10 days before the date of such conference.

“(B) TAXPAYER ELECTION TO EXPEDITE CONFERENCE.—If the taxpayer so elects, subparagraph (A) shall be applied by substituting ‘the date of such conference’ for ‘10 days before the date of such conference’.

“(C) SPECIFIED TAXPAYER.—For purposes of this paragraph—

“(i) IN GENERAL.—The term ‘specified taxpayer’ means—

“(I) in the case of any taxpayer who is a natural person, a taxpayer whose adjusted gross income does not exceed \$400,000, and

“(II) in the case of any other taxpayer, a taxpayer whose gross receipts do not exceed \$5,000,000.

“(ii) AGGREGATION RULE.—Rules similar to the rules of section 448(c)(2) shall apply for purposes of clause (i)(II).”

(b) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking “Internal Revenue Service Office of Appeals” and inserting “Internal Revenue Service Independent Office of Appeals”:

(A) Section 6015(c)(4)(B)(ii)(I).

(B) Section 6320(b)(1).

(C) Subsections (b)(1) and (d)(3) of section 6330.

(D) Section 6603(d)(3)(B).

(E) Section 6621(c)(2)(A)(i).

(F) Section 7122(e)(2).

(G) Subsections (a), (b)(1), (b)(2), and (c)(1) of section 7123.

(H) Subsections (c)(7)(B)(i), and (g)(2)(A) of section 7430.

(I) Section 7522(b)(3).

(J) Section 7612(c)(2)(A).

(2) Section 7430(c)(2) is amended by striking “Internal Revenue Service Office of Appeals” each place it appears and inserting “Internal Revenue Service Independent Office of Appeals”.

(3) The heading of section 6330(d)(3) is amended by inserting “INDEPENDENT” after “IRS”.

(c) OTHER REFERENCES.—Any reference in any provision of law, or regulation or other guidance, to the Internal Revenue Service Office of Appeals shall be treated as a reference to the Internal Revenue Service Independent Office of Appeals.

(d) SAVINGS PROVISIONS.—Rules similar to the rules of paragraphs (2) through (6) of section 1001(b) of the Internal Revenue Service Restructuring and Reform Act of 1998 shall apply for purposes of this section (and the amendments made by this section).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) ACCESS TO CASE FILES.—Section 7803(e)(7) of the Internal Revenue Code of 1986, as added by subsection (a), shall apply to conferences occurring after the date which is 1 year after the date of the enactment of this Act.

## TITLE II—IMPROVED SERVICE

### SEC. 201. COMPREHENSIVE CUSTOMER SERVICE STRATEGY.

(a) IN GENERAL.—Not later than the date which is 1 year after the date of the enactment of this Act, the Secretary of the Treasury, after consultation with the National Taxpayer Advocate, shall submit to Congress a written comprehensive customer service strategy for the Internal Revenue Service. Such strategy shall include—

(1) a plan to provide assistance to taxpayers that is secure, designed to meet reasonable taxpayer expectations, and adopts appropriate best practices of customer service provided in the private sector, including online services, telephone call back services, and training of employees providing customer services,

(2) a thorough assessment of the services that the Internal Revenue Service can co-locate with other Federal services or offer as self-service options,

(3) proposals to improve Internal Revenue Service customer service in the short term (the current and following fiscal year), medium term (approximately 3 to 5 fiscal years), and long term (approximately 10 fiscal years),

(4) a plan to update guidance and training materials for customer service employees of the Internal Revenue Service, including the Internal Revenue Manual, to reflect such strategy, and

(5) identified metrics and benchmarks for quantitatively measuring the progress of the Internal Revenue Service in implementing such strategy.

(b) UPDATED GUIDANCE AND TRAINING MATERIALS.—Not later than 2 years after the date of the enactment of this Act, the Secretary of the Treasury shall make available the updated guidance and training materials described in subsection (a)(4) (including the Internal Revenue Manual). Such updated guidance and training materials (including the Internal Revenue Manual) shall be written in a manner so as to be easily understood by customer service employees of the Internal Revenue Service and shall provide clear instructions.

### SEC. 202. IRS FREE FILE PROGRAM.

(a) IN GENERAL.—

(1) The Secretary of the Treasury, or the Secretary's delegate, shall continue to operate the

IRS Free File Program as established by the Internal Revenue Service and published in the Federal Register on November 4, 2002 (67 Fed. Reg. 67247), including any subsequent agreements and governing rules established pursuant thereto.

(2) The IRS Free File Program shall continue to provide free commercial-type online individual income tax preparation and electronic filing services to the lowest 70 percent of taxpayers by adjusted gross income. The number of taxpayers eligible to receive such services each year shall be calculated by the Internal Revenue Service annually based on prior year aggregate taxpayer adjusted gross income data.

(3) In addition to the services described in paragraph (2), and in the same manner, the IRS Free File Program shall continue to make available to all taxpayers (without regard to income) a basic, online electronic fillable forms utility.

(4) The IRS Free File Program shall continue to work cooperatively with the private sector to provide the free individual income tax preparation and the electronic filing services described in paragraphs (2) and (3).

(5) The IRS Free File Program shall work cooperatively with State government agencies to enhance and expand the use of the program to provide needed benefits to the taxpayer while reducing the cost of processing returns.

(b) INNOVATIONS.—The Secretary of the Treasury, or the Secretary's delegate, shall work with the private sector through the IRS Free File Program to identify and implement, consistent with applicable law, innovative new program features to improve and simplify the taxpayer's experience with completing and filing individual income tax returns through voluntary compliance.

### SEC. 203. LOW-INCOME EXCEPTION FOR PAYMENTS OTHERWISE REQUIRED IN CONNECTION WITH A SUBMISSION OF AN OFFER-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122(c) is amended by adding at the end the following new paragraph:

“(3) EXCEPTION FOR LOW-INCOME TAXPAYERS.—Paragraph (1), and any user fee otherwise required in connection with the submission of an offer-in-compromise, shall not apply to any offer-in-compromise with respect to a taxpayer who is an individual with adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 250 percent of the applicable poverty level (as determined by the Secretary).”

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to offers-in-compromise submitted after the date of the enactment of this Act.

## TITLE III—SENSIBLE ENFORCEMENT

### SEC. 301. INTERNAL REVENUE SERVICE SEIZURE REQUIREMENTS WITH RESPECT TO STRUCTURING TRANSACTIONS.

Section 5317(c)(2) of title 31, United States Code, is amended—

(1) by striking “Any property” and inserting the following:

“(A) IN GENERAL.—Any property”; and

(2) by adding at the end the following:

“(B) INTERNAL REVENUE SERVICE SEIZURE REQUIREMENTS WITH RESPECT TO STRUCTURING TRANSACTIONS.—

“(i) PROPERTY DERIVED FROM AN ILLEGAL SOURCE.—Property may only be seized by the Internal Revenue Service pursuant to subparagraph (A) by reason of a claimed violation of section 5324 if the property to be seized was derived from an illegal source or the funds were structured for the purpose of concealing the violation of a criminal law or regulation other than section 5324.

“(ii) NOTICE.—Not later than 30 days after property is seized by the Internal Revenue Service pursuant to subparagraph (A), the Internal Revenue Service shall—

“(I) make a good faith effort to find all persons with an ownership interest in such property; and

“(II) provide each such person with a notice of the seizure and of the person’s rights under clause (iv).

“(iii) **EXTENSION OF NOTICE UNDER CERTAIN CIRCUMSTANCES.**—The Internal Revenue Service may apply to a court of competent jurisdiction for one 30-day extension of the notice requirement under clause (ii) if the Internal Revenue Service can establish probable cause of an imminent threat to national security or personal safety necessitating such extension.

“(iv) **POST-SEIZURE HEARING.**—If a person with a property interest in property seized pursuant to subparagraph (A) by the Internal Revenue Service requests a hearing by a court of competent jurisdiction within 30 days after the date on which notice is provided under subclause (ii), such property shall be returned unless the court holds an adversarial hearing and finds within 30 days of such request (or such longer period as the court may provide, but only on request of an interested party) that there is probable cause to believe that there is a violation of section 5324 involving such property and probable cause to believe that the property to be seized was derived from an illegal source or the funds were structured for the purpose of concealing the violation of a criminal law or regulation other than section 5324.”.

**SEC. 302. EXCLUSION OF INTEREST RECEIVED IN ACTION TO RECOVER PROPERTY SEIZED BY THE INTERNAL REVENUE SERVICE BASED ON STRUCTURING TRANSACTION.**

(a) **IN GENERAL.**—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

**“SEC. 139G. INTEREST RECEIVED IN ACTION TO RECOVER PROPERTY SEIZED BY THE INTERNAL REVENUE SERVICE BASED ON STRUCTURING TRANSACTION.**

“Gross income shall not include any interest received from the Federal Government in connection with an action to recover property seized by the Internal Revenue Service pursuant to section 5317(c)(2) of title 31, United States Code, by reason of a claimed violation of section 5324 of such title.”.

(b) **CLERICAL AMENDMENT.**—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

“Sec. 139G. Interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to interest received on or after the date of the enactment of this Act.

**SEC. 303. CLARIFICATION OF EQUITABLE RELIEF FROM JOINT LIABILITY.**

(a) **IN GENERAL.**—Section 6015 is amended—

(1) in subsection (e), by adding at the end the following new paragraph:

“(7) **STANDARD AND SCOPE OF REVIEW.**—Any review of a determination made under this section shall be reviewed de novo by the Tax Court and shall be based upon—

“(A) the administrative record established at the time of the determination, and

“(B) any additional newly discovered or previously unavailable evidence.”, and

(2) by amending subsection (f) to read as follows:

“(f) **EQUITABLE RELIEF.**—

“(1) **IN GENERAL.**—Under procedures prescribed by the Secretary, if—

“(A) taking into account all the facts and circumstances, it is inequitable to hold the individual liable for any unpaid tax or any deficiency (or any portion of either), and

“(B) relief is not available to such individual under subsection (b) or (c),

the Secretary may relieve such individual of such liability.

“(2) **LIMITATION.**—A request for equitable relief under this subsection may be made with respect to any portion of any liability that—

“(A) has not been paid, provided that such request is made before the expiration of the applicable period of limitation under section 6502, or

“(B) has been paid, provided that such request is made during the period in which the individual could submit a timely claim for refund or credit of such payment.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to petitions or requests filed or pending on or after the date of the enactment of this Act.

**SEC. 304. MODIFICATION OF PROCEDURES FOR ISSUANCE OF THIRD-PARTY SUMMONS.**

(a) **IN GENERAL.**—Section 7609(f) is amended by adding at the end the following flush sentence:

“The Secretary shall not issue any summons described in the preceding sentence unless the information sought to be obtained is narrowly tailored to information that pertains to the failure (or potential failure) of the person or group or class of persons referred to in paragraph (2) to comply with one or more provisions of the internal revenue law which have been identified for purposes of such paragraph.”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to summonses served after the date of the enactment of this Act.

**SEC. 305. ESTABLISHMENT OF INCOME THRESHOLD FOR REFERRAL TO PRIVATE DEBT COLLECTION.**

(a) **IN GENERAL.**—Section 6306(d)(3) is amended by striking “or” at the end of subparagraph (C), by adding “or” at the end of subparagraph (D), and by inserting after subparagraph (D) the following new subparagraph:

“(E) in the case of a tax receivable which is identified by the Secretary (or the Secretary’s delegate) during the period beginning on the date which is 180 days after the date of the enactment of this Act and ending on December 31, 2019, a taxpayer who is an individual with adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 250 percent of the applicable poverty level (as determined by the Secretary),”.

(b) **EFFECTIVE DATE.**—The amendments made by this section shall apply to tax receivables identified by the Secretary (or the Secretary’s delegate) after the date which is 180 days after the date of the enactment of this Act.

**SEC. 306. REFORM OF NOTICE OF CONTACT OF THIRD PARTIES.**

(a) **IN GENERAL.**—Section 7602(c)(1) is amended to read as follows:

“(1) **GENERAL NOTICE.**—An officer or employee of the Internal Revenue Service may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer unless such contact occurs during a period (not greater than 1 year) which is specified in a notice which—

“(A) informs the taxpayer that contacts with persons other than the taxpayer are intended to be made during such period, and

“(B) except as otherwise provided by the Secretary, is provided to the taxpayer not later than 45 days before the beginning of such period.

Nothing in the preceding sentence shall prevent the issuance of notices to the same taxpayer with respect to the same tax liability with periods specified therein that, in the aggregate, exceed 1 year. A notice shall not be issued under this paragraph unless there is an intent at the time such notice is issued to contact persons other than the taxpayer during the period specified in such notice. The preceding sentence shall not prevent the issuance of a notice if the requirement of such sentence is met on the basis of the assumption that the information sought to be obtained by such contact will not be obtained by other means before such contact.”.

(b) **EFFECTIVE DATE.**—The amendment made by this section shall apply to notices provided, and contacts of persons made, after the date which is 45 days after the date of the enactment of this Act.

**SEC. 307. MODIFICATION OF AUTHORITY TO ISSUE DESIGNATED SUMMONS.**

(a) **IN GENERAL.**—Clause (i) of section 6503(j)(2)(A) is amended to read as follows:

“(i) the issuance of such summons is preceded by a review and written approval of such issuance by the Administrator of the relevant operating division of the Internal Revenue Service and the Chief Counsel which—

“(I) states facts clearly establishing that the Secretary has made reasonable requests for the information that is the subject of the summons, and

“(II) is attached to such summons.”.

(b) **ESTABLISHMENT THAT REASONABLE REQUESTS FOR INFORMATION WERE MADE.**—Subsection (j) of section 6503 is amended by adding at the end the following new paragraph:

“(4) **ESTABLISHMENT THAT REASONABLE REQUESTS FOR INFORMATION WERE MADE.**—In any court proceeding described in paragraph (3), the Secretary shall establish that reasonable requests were made for the information that is the subject of the summons.”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to summonses issued after the date of the enactment of this Act.

**SEC. 308. LIMITATION ON ACCESS OF NON-INTERNAL REVENUE SERVICE EMPLOYEES TO RETURNS AND RETURN INFORMATION.**

(a) **IN GENERAL.**—Section 7602 is amended by adding at the end the following new subsection:

“(f) **LIMITATION ON ACCESS OF PERSONS OTHER THAN INTERNAL REVENUE SERVICE OFFICERS AND EMPLOYEES.**—The Secretary shall not, under the authority of section 6103(n), provide any books, papers, records, or other data obtained pursuant to this section to any person authorized under section 6103(n), except when such person requires such information for the sole purpose of providing expert evaluation and assistance to the Internal Revenue Service. No person other than an officer or employee of the Internal Revenue Service or the Office of Chief Counsel may, on behalf of the Secretary, question a witness under oath whose testimony was obtained pursuant to this section.”.

(b) **EFFECTIVE DATE.**—

(1) **IN GENERAL.**—Except as provided in paragraph (2), the amendment made by this section shall take effect on the date of the enactment of this Act.

(2) **APPLICATION TO CONTRACTS IN EFFECT.**—The amendment made by this section shall apply to any contract in effect under section 6103(n) of the Internal Revenue Code of 1986, pursuant to temporary Treasury Regulation section 301.7602-1T proposed in Internal Revenue Bulletin 2014-28, Treasury Regulation section 301.7602-1(b)(3), or any similar or successor regulation, that is in effect on the date of the enactment of this Act.

**TITLE IV—ORGANIZATIONAL MODERNIZATION**

**SEC. 401. MODIFICATION OF TITLE OF COMMISSIONER OF INTERNAL REVENUE AND RELATED OFFICIALS.**

(a) **IN GENERAL.**—Section 7803(a)(1)(A) is amended by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”.

(b) **CONFORMING AMENDMENTS RELATED TO SECTION 7803.**—

(1) Subsections (a)(1)(B), (a)(1)(C), (b)(3), (c)(1)(B)(i), and (c)(1)(B)(ii) of section 7803 are each amended by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”.

(2) Section 7803(b)(2)(A) is amended by striking “Commissioner’s” and inserting “Administrator’s”.

(3) Subsections (a)(1)(D), (a)(1)(E), (a)(2), (a)(3), (a)(4), (b)(2)(A), (b)(2)(D), (b)(3),

(c)(2)(B)(iii), (c)(2)(C)(iv), and (c)(3) of section 7803, as amended by the preceding paragraphs of this subsection, are amended by striking “Commissioner” each place it appears therein and inserting “Administrator”.

(4) The heading of section 7803 is amended by striking “**commissioner of internal revenue**” and inserting “**administrator of the internal revenue service**”.

(5) The heading of section 7803(a) is amended by striking “COMMISSIONER OF INTERNAL REVENUE” and inserting “ADMINISTRATOR OF THE INTERNAL REVENUE SERVICE”.

(6) The heading of section 7803(c)(3) is amended by striking “COMMISSIONER” and inserting “ADMINISTRATOR”.

(7) The table of sections for subchapter A of chapter 80 is amended by striking the item relating to section 7803 and inserting the following new item:

“Sec. 7803. Administrator of the Internal Revenue Service; other officials.”.

(c) OTHER CONFORMING AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) Section 6307(c) is amended by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”.

(2) Section 6673(a)(2)(B) is amended by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”.

(3) Section 6707(c) is amended by striking “Commissioner” and inserting “Administrator”.

(4) Section 6707A(d) is amended—

(A) in paragraph (1), by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”, and

(B) in paragraph (3), by striking “Commissioner” each place it appears and inserting “Administrator”.

(5)(A) Subsections (a) and (g) of section 7345 are each amended by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”.

(B) Section 7345(g) is amended—

(i) by striking “Deputy Commissioner for Services and Enforcement” and inserting “Deputy Administrator for Services and Enforcement”, and

(ii) by striking “Commissioner of an operating division” and inserting “Administrator of an operating division”.

(C) Subsections (c)(1), (d) and (e)(1) of section 7345 are each amended by striking “Commissioner” each place it appears therein and inserting “Administrator”.

(6) Section 7435(e) is amended by striking “Commissioner” each place it appears therein and inserting “Administrator”.

(7) Section 7409(a)(2)(B) is amended by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”.

(8) Section 7608(c) is amended—

(A) in paragraph (1), by striking “the Commissioner of Internal Revenue (or, if designated by the Commissioner, the Deputy Commissioner or an Assistant Commissioner of Internal Revenue)” and inserting “the Administrator of the Internal Revenue Service (or, if designated by the Administrator, the Deputy Administrator or an Assistant Administrator of the Internal Revenue Service)”, and

(B) in paragraph (2) by striking “Commissioner” and inserting “Administrator”.

(9) Section 7611(b)(3)(C) is amended by striking “regional commissioner” and inserting “regional administrator”.

(10) Section 7701(a)(13) is amended to read as follows:

“(13) ADMINISTRATOR.—The term ‘Administrator’, except where the context clearly indicates otherwise, means the Administrator of the Internal Revenue Service.”.

(11)(A) Section 7804(a) is amended by striking “Commissioner of Internal Revenue” and insert-

ing “Administrator of the Internal Revenue Service”.

(B) Subsections (a), (b)(1), and (b)(2) of section 7804(a), as amended by subparagraph (A), are each amended by striking “Commissioner” each place it appears therein and inserting “Administrator”.

(12) Section 7811(c)(1) is amended by striking “the Commissioner of Internal Revenue, or the Deputy Commissioner of Internal Revenue” and inserting “the Administrator of the Internal Revenue Service, or the Deputy Commissioner of the Internal Revenue Service”.

(d) AMENDMENTS TO SECTION 8D OF THE INSPECTOR GENERAL ACT OF 1978.—

(1) Subsections (g)(2), (k)(1)(C), (l)(1), and (l)(2)(A) of section 8D of the Inspector General Act of 1978 are each amended by striking “Commissioner of Internal Revenue” and inserting “Administrator of the Internal Revenue Service”.

(2) Section 8D(1)(2)(B) of such Act is amended by striking “Commissioner” each place it appears therein and inserting “Administrator”.

(e) OTHER REFERENCES.—Any reference in any provision of law, or regulation or other guidance, to the Commissioner of Internal Revenue, or to any Deputy or Assistant Commissioner of Internal Revenue, or to a Commissioner of any division or region of the Internal Revenue Service, shall be treated as a reference to the Administrator of the Internal Revenue Service, or to the appropriate Deputy or Assistant Administrator of the Internal Revenue Service, or to the appropriate Administrator of such division or region, respectively.

(f) CONTINUITY.—In the case of any individual appointed by the President, by and with the advice and consent of the Senate, as Commissioner of Internal Revenue under section 7803(a)(1)(A) of the Internal Revenue Code of 1986, and serving in such position immediately before the date of the enactment of this Act, the amendments made by this section shall be construed as changing the title of such individual and shall not be construed to—

(1) require the reappoint of such individual under such section, or

(2) alter the remaining term of such person under section 7803(a)(1)(B).

#### SEC. 402. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.

(a) TAXPAYER ADVOCATE DIRECTIVES.—

(1) IN GENERAL.—Section 7803(c) is amended by adding at the end the following new paragraph:

“(5) TAXPAYER ADVOCATE DIRECTIVES.—In the case of any Taxpayer Advocate Directive issued by the National Taxpayer Advocate pursuant to a delegation of authority from the Administrator of the Internal Revenue Service—

“(A) the Administrator or a Deputy Administrator shall modify, rescind, or ensure compliance with such directive not later than 90 days after the issuance of such directive, and

“(B) in the case of any directive which is modified or rescinded by a Deputy Administrator, the National Taxpayer Advocate may (not later than 90 days after such modification or rescission) appeal to the Administrator and the Administrator shall (not later than 90 days after such appeal is made) ensure compliance with such directive as issued by the National Taxpayer Advocate or provide the National Taxpayer Advocate with a detailed description of the reasons for any modification or rescission made or upheld by the Administrator pursuant to such appeal.”.

(2) REPORT TO CERTAIN COMMITTEES OF CONGRESS REGARDING DIRECTIVES.—Section 7803(c)(2)(B)(ii) is amended by redesignating subclauses (VIII) through (XI) as subclauses (IX) through (XII), respectively, and by inserting after subclause (VII) the following new subclause:

“(VIII) identify any Taxpayer Advocate Directive which was not honored by the Internal Revenue Service in a timely manner, as specified under paragraph (5);”.

(b) NATIONAL TAXPAYER ADVOCATE ANNUAL REPORTS TO CONGRESS.—

(1) INCLUSION OF MOST SERIOUS TAXPAYER PROBLEMS.—Section 7803(c)(2)(B)(ii)(III) is amended by striking “at least 20” and inserting “the 10”.

(2) COORDINATION WITH TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Section 7803(c)(2) is amended by adding at the end the following new subparagraph:

“(E) COORDINATION WITH TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Before beginning any research or study, the National Taxpayer Advocate shall coordinate with the Treasury Inspector General for Tax Administration to ensure that the National Taxpayer Advocate does not duplicate any action that the Treasury Inspector General for Tax Administration has already undertaken or has a plan to undertake.”.

(3) STATISTICAL SUPPORT.—

(A) IN GENERAL.—Section 6108 is amended by adding at the end the following new subsection:

“(d) STATISTICAL SUPPORT FOR NATIONAL TAXPAYER ADVOCATE.—The Secretary shall, upon request of the National Taxpayer Advocate, provide the National Taxpayer Advocate with statistical support in connection with the preparation by the National Taxpayer Advocate of the annual report described in section 7803(c)(2)(B)(ii). Such statistical support shall include statistical studies, compilations, and the review of information provided by the National Taxpayer Advocate for statistical validity and sound statistical methodology.”.

(B) DISCLOSURE OF REVIEW.—Section 7803(c)(2)(B)(ii), as amended by subsection (a), is amended by redesignating subclause (XII) as subclause (XIII) and by inserting after subclause (XI) the following new subclause:

“(XII) with respect to any statistical information included in such report, include a statement of whether such statistical information was reviewed or provided by the Secretary under section 6108(d) and, if so, whether the Secretary determined such information to be statistically valid and based on sound statistical methodology.”.

(C) CONFORMING AMENDMENT.—Section 7803(c)(2)(B)(iii) is amended by adding at the end the following: “The preceding sentence shall not apply with respect to statistical information provided to the Secretary for review, or received from the Secretary, under section 6108(d).”.

(c) SALARY OF NATIONAL TAXPAYER ADVOCATE.—Section 7803(c)(1)(B)(i) is amended by striking “, or, if the Secretary of the Treasury so determines, at a rate fixed under section 9503 of such title”.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) SALARY OF NATIONAL TAXPAYER ADVOCATE.—The amendment made by subsection (c) shall apply to compensation paid to individuals appointed as the National Taxpayer Advocate after the date of the enactment of this Act.

#### SEC. 403. ELIMINATION OF IRS OVERSIGHT BOARD.

(a) IN GENERAL.—Subchapter A of chapter 80 is amended by striking section 7802 (and by striking the item relating to such section in the table of sections of such subchapter).

(b) CONFORMING AMENDMENTS.—

(1) Section 4946(c) is amended by adding “or” at the end of paragraph (5), by striking “, or” at the end of paragraph (6) and inserting a period, and by striking paragraph (7).

(2) Section 6103(h) is amended by striking paragraph (6).

(3) Section 7803(a) is amended by striking paragraph (4).

(4) Section 7803(c)(1)(B)(ii) is amended by striking “and the Oversight Board”.

(5) Section 7803(c)(2)(B)(iii) is amended by striking “the Oversight Board.”.

(6) Section 8D of the Inspector General Act of 1978 is amended—

(A) in subsections (g)(2) and (h), by striking “the Internal Revenue Service Oversight Board and”,

(B) in subsection (l)(1), by striking “or the Internal Revenue Service Oversight Board”, and

(C) in subsection (l)(2), by striking “and the Internal Revenue Service Oversight Board”.

#### SEC. 404. MODERNIZATION OF INTERNAL REVENUE SERVICE ORGANIZATIONAL STRUCTURE.

(a) IN GENERAL.—Not later than September 30, 2020, the Administrator of the Internal Revenue Service shall submit to Congress a comprehensive written plan to redesign the organization of the Internal Revenue Service. Such plan shall—

(1) ensure the successful implementation of the priorities specified by Congress in this Act,

(2) prioritize taxpayer services to ensure that all taxpayers easily and readily receive the assistance that they need,

(3) streamline the structure of the agency including minimizing the duplication of services and responsibilities within the agency,

(4) best position the Internal Revenue Service to combat cybersecurity and other threats to the Internal Revenue Service, and

(5) address whether the Criminal Investigation Division of the Internal Revenue Service should report directly to the Administrator.

(b) REPEAL OF RESTRICTION ON ORGANIZATIONAL STRUCTURE OF INTERNAL REVENUE SERVICE.—Paragraph (3) of section 1001(a) of the Internal Revenue Service Restructuring and Reform Act of 1998 shall cease to apply beginning 1 year after the date on which the Administrator of the Internal Revenue Service submits to Congress the plan described in subsection (a).

#### TITLE V—TAX COURT

##### SEC. 501. DISQUALIFICATION OF JUDGE OR MAGISTRATE JUDGE OF THE TAX COURT.

(a) IN GENERAL.—Part II of subchapter C of chapter 76 is amended by adding at the end the following new section:

##### “SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE JUDGE OF THE TAX COURT.

“Section 455 of title 28, United States Code, shall apply to judges and magistrate judges of the Tax Court and to proceedings of the Tax Court.”.

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end the following new item:

“Sec. 7467. Disqualification of judge or magistrate judge of the Tax Court.”.

##### SEC. 502. OPINIONS AND JUDGMENTS.

(a) IN GENERAL.—Section 7459 is amended by striking all the precedes subsection (c) and inserting the following:

##### “SEC. 7459. OPINIONS AND JUDGMENTS.

“(a) REQUIREMENT.—An opinion upon any proceeding instituted before the Tax Court and a judgment thereon shall be made as quickly as practicable. The judgment shall be made by a judge in accordance with the opinion of the Tax Court, and such judgment so made shall, when entered, be the judgment of the Tax Court.

“(b) INCLUSION OF FINDINGS OF FACT IN OPINION.—It shall be the duty of the Tax Court and of each division to include in its opinion or memorandum opinion upon any proceeding, its findings of fact. The Tax Court shall issue in writing all of its findings of fact, opinions, and memorandum opinions. Subject to such conditions as the Tax Court may by rule provide, the requirements of this subsection and of section 7460 are met if findings of fact or opinion are stated orally and recorded in the transcript of the proceedings.”.

(b) CONFORMING AMENDMENTS TO SECTION 7459.—

(1) Subsections (c), (d), (e), and (f) of section 7459 are each amended by striking “decision” each place it appears and inserting “judgment”.

(2) The headings of subsections (c), (d), and (e) of section 7459 are each amended by striking “DECISION” and inserting “JUDGMENT”.

(3) The item relating to section 7459 in the table of sections for part II of subchapter C of chapter 76 is amended to read as follows:

“Sec. 7459. Opinions and judgments.”.

(c) OTHER CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking “decision” and inserting “judgment”:

(A) Section 1313(a)(1).

(B) Section 6213(a).

(C) Section 6214(d).

(D) Section 6225(a)(2).

(E) Section 6226(g).

(F) Section 6228(a)(6).

(G) Subsections (a)(3)(B) and (c)(1)(A)(ii) of section 6230.

(H) Section 6247(d).

(I) Section 6252(e).

(J) Section 6404(h)(2)(C).

(K) Section 6503(a)(1).

(L) Section 6673(a)(1)(C).

(M) Subsections (c), (f), and (g) of section 6861.

(N) Section 6863(b)(3)(C).

(O) Section 7428(a).

(P) Section 7428(c)(1)(C)(i).

(Q) Section 7430(f)(3).

(R) Section 7436(c)(2).

(S) Section 7461(b)(2).

(T) Subsections (a)(4), (b), and (d) of section 7463.

(U) Subsections (a)(2)(B) and (b)(4) of section 7476.

(V) Section 7477(a).

(W) Section 7478(a)(2).

(X) Subsections (a)(2) and (c) of section 7479.

(2) The following provisions are each amended by striking “decision” each place it appears and inserting “judgment”:

(A) Subsections (a) and (b)(3) of section 6215.

(B) Section 6226(h).

(C) Section 6247(e).

(D) Subsections (d) and (e) of section 6861.

(E) Section 6863(b)(2).

(F) Section 7422.

(G) Subsections (a) and (b) of section 7460.

(H) Subsections (a), (b), (c), and (d) of section 7463.

(I) Section 7482.

(J) Section 7483.

(K) Section 7485(b).

(L) Section 7481.

(3) Sections 7422 and 7482 are each amended by striking “decisions” each place it appears and inserting “judgments”.

(4) Section 7430(f)(1) is amended by striking “decision or” both places it appears.

(5) Subsections (a) and (b) of section 7460 are each amended by striking “report” each place it appears and inserting “opinion”.

(6) Section 7461(a) is amended—

(A) by striking “reports” and inserting “opinions”, and

(B) by striking “report” and inserting “opinion”.

(7) Section 7462 is amended by striking “reports” each place it appears and inserting “opinions”.

(8) Section 7487(1) is amended by striking “decisions” and inserting “judgments”.

(9) The headings of sections 6214(b), 7463(b), 7481(a), 7481(b), 7481(d), and 7485(b) are each amended by striking “DECISIONS” and inserting “JUDGMENTS”.

(10) The headings of sections 6226(h), 6247(e), 6861(c), 6861(d), 7443A(c), 7481(a)(2), and 7481(a)(3) are each amended by striking “DECISION” and inserting “JUDGMENT”.

(11) The headings of sections 6863(b)(2), 6863(b)(3), 7430(f)(3), and 7482(a)(2)(B) are each amended by striking “DECISION” and inserting “JUDGMENT”.

(12) The heading of section 7436(c)(2) is amended by striking “DECISIONS” and inserting “JUDGMENT”.

(13) The heading of section 7460(a) is amended by striking “REPORTS” and inserting “OPINIONS”.

(14) The heading of section 7462 is amended by striking “reports” and inserting “opinions”.

(15) The heading of subchapter D of chapter 76 is amended by striking “Decisions” and inserting “Judgments”.

(16) The heading of section 7481 is amended by striking “decision” and inserting “judgment”.

(17) The item relating to section 7462 in the table of sections for part II of subchapter C of chapter 76 is amended to read as follows:

“Sec. 7462. Publication of opinions.”.

(18) The item relating to subchapter D in the table of subchapters for chapter 76 is amended to read as follows:

“SUBCHAPTER D.—COURT REVIEW OF TAX COURT JUDGMENTS”.

(19) The item relating to section 7481 in the table of sections for part III of subchapter D of chapter 76 is amended to read as follows:

“Sec. 7481. Date when Tax Court judgment becomes final.”.

(d) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, decisions, reports, rules, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions, in connection with the Tax Court, which are in effect at the time this section takes effect, or were final before the effective date of this section and are to become effective on or after the effective date of this section, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Tax Court.

##### SEC. 503. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO MAGISTRATE JUDGE OF THE TAX COURT.

(a) IN GENERAL.—Section 7443A is amended—

(1) by striking “special trial judges” in subsections (a) and (e) and inserting “magistrate judges of the Tax Court”,

(2) by striking “special trial judges of the court” in subsection (b) and inserting “magistrate judges of the Tax Court”, and

(3) by striking “special trial judge” in subsections (c) and (d) and inserting “magistrate judge of the Tax Court”.

(b) CONFORMING AMENDMENTS.—

(1) The heading of section 7443A is amended by striking “special trial judges” and inserting “magistrate judges of the tax court”.

(2) The heading of section 7443A(b) is amended by striking “SPECIAL TRIAL JUDGES” and inserting “MAGISTRATE JUDGES OF THE TAX COURT”.

(3) The item relating to section 7443A in the table of sections for part I of subchapter C of chapter 76 is amended to read as follows:

“Sec. 7443A. Magistrate judges of the Tax Court.”.

(4) The heading of section 7448 is amended by striking “special trial judges” and inserting “magistrate judges of the tax court”.

(5) Section 7448 is amended—

(A) by striking “special trial judge’s” each place it appears in subsections (a)(6), (c)(1), (d), and (m)(1) and inserting “magistrate judge of the Tax Court’s”, and

(B) by striking “special trial judge” each place it appears other than in subsection (n) and inserting “magistrate judge of the Tax Court”.

(6) Section 7448(n) is amended—

(A) by striking “special trial judge which are allowable” and inserting “magistrate judge of the Tax Court which are allowable”, and

(B) by striking “special trial judge of the Tax Court” both places it appears and inserting “magistrate judge of the Tax Court”.

(7) The heading of section 7448(b)(2) is amended by striking “SPECIAL TRIAL JUDGES” and inserting “MAGISTRATE JUDGES OF THE TAX COURT”.

(8) The item relating to section 7448 in the table of sections for part 1 of subchapter C of chapter 76 is amended to read as follows:

“Sec. 7448. Annuities to surviving spouses and dependent children of judges and magistrate judges of the Tax Court.”.

(9) Section 7456(a) is amended—

(A) by striking “special trial judge” each place it appears and inserting “magistrate judge”, and

(B) by striking “(or by the clerk” and inserting “of the Tax Court (or by the clerk”.

(10) Section 7466(a) is amended by striking “special trial judge” and inserting “magistrate judge”.

(11) Section 7470A is amended by striking “special trial judges” both places it appears in subsections (a) and (b) and inserting “magistrate judges”.

(12) Section 7471(a)(2)(A) is amended by striking “special trial judges” and inserting “magistrate judges”.

(13) Section 7471(c) is amended—

(A) by striking “SPECIAL TRIAL JUDGES” in the heading and inserting “MAGISTRATE JUDGES OF THE TAX COURT”, and

(B) by striking “special trial judges” and inserting “magistrate judges”.

**SEC. 504. REPEAL OF DEADWOOD RELATED TO BOARD OF TAX APPEALS.**

(a) Section 7459 is amended by striking subsection (f) and redesignating subsection (g) as subsection (f).

(b) Section 7447(a)(3) is amended to read as follows:

“(3) In any determination of length of service as judge or as a judge of the Tax Court of the United States there shall be included all periods (whether or not consecutive) during which an individual served as judge.”.

The SPEAKER pro tempore. The bill, as amended, shall be debatable for 1 hour equally divided and controlled by the chair and ranking minority member of the Committee on Ways and Means.

The gentleman from Texas (Mr. BRADY) and the gentleman from Georgia (Mr. LEWIS) each will control 30 minutes.

The Chair recognizes the gentleman from Texas.

**GENERAL LEAVE**

Mr. BRADY of Texas. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks and include any extraneous material on H.R. 5444, currently under consideration.

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

There was no objection.

Mr. BRADY of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we are taking the biggest and boldest steps in 20 years, to redesign the IRS with a singular focus, taxpayer service.

This bill will redesign the IRS for the first time in two decades. It refocuses the agency to live up to its mission of putting taxpayers first. Finally, it will rein in its enforcement powers to prevent future abuse.

There are two important pieces of legislation being considered before the House today, H.R. 5444, the Taxpayer First Act; and H.R. 5445, the 21st Cen-

tury IRS Act. These bipartisan bills, the product of 2 years of work by the Committee on Ways and Means, will make the IRS a truly taxpayer-first agency in a number of different ways.

First off, this bill puts an emphasis on customer service. We are requiring the IRS to submit to Congress plans to restructure the agency to improve efficiency, enhance cybersecurity, and better serve taxpayers. This will guarantee that the IRS is living up to its “quality service” motto, while holding the agency accountable if it fails to meet these standards.

In addition, our legislation encourages the IRS to adopt commonsense customer service features commonly seen in the private sector, such as a call-back option.

Secondly, we are overhauling the IRS’ enforcement tools so families and small businesses can’t have property seized without fair notice and due process. Over and over again, we have heard stories from across the country of absolutely tragic abuses of power by the IRS.

For example, we heard from Andrew Clyde, who served three combat tours in Iraq. Then he came home and opened a successful small business in Georgia, only to have the IRS unfairly seize \$950,000 from him. Our legislation prevents outrageous enforcement abuses like this to protect American taxpayers from unfair seizures.

Thirdly, the Taxpayer First Act reminds the IRS they are not just an enforcement agency, they are also our tax administrator. That is why this bill changes the title of the IRS chief from Commissioner to, more accurately, Administrator.

Additionally, and this is important, Mr. Speaker, we are shifting the burden of proof back onto the IRS when examining taxpayers. This legislation establishes an Independent Office of Appeals within the agency to ensure that taxpayers receive a fair and impartial review of disputes they may have with the IRS.

It shouldn’t take a Freedom of Information Act request to see what evidence the IRS is bringing against you. This legislation will require that the IRS provide you with your own case file prior to any review of your dispute with the agency. It puts taxpayers on a level playing field, which is where they deserve to be.

In the 21st Century IRS Act, we are revamping the IRS’ nearly ancient technology and better positioning the agency to proactively combat cyber threats.

Right now, IRS technology is so outdated that some systems date to the 1960s, and fax machines are still used for some official communications. This bill modernizes the IRS and ensures the agency is accountable for the billions of dollars in IT that it spends each year.

Lastly, the 21st Century IRS Act enhances the agency’s ability to combat identity theft tax refund fraud by

strengthening the IRS’ partnership with States and with cybersecurity experts.

□ 1345

This bill requires the IRS to practically partner with States in the private sector that effectively combat identify thieves trying to steal our refund.

I want to thank Oversight Subcommittee Chairman LYNN JENKINS and Oversight Subcommittee Ranking Member JOHN LEWIS for their tireless work on this important bill.

With the new Tax Code, it is time for a redesign of our tax agency. This bipartisan legislation truly refocuses the IRS to make it a taxpayer-first agency.

Finally, Mr. Speaker, before I turn over the floor, I would like to recognize a good friend and trusted policy adviser, and by every measure, one of the very best to ever serve the Ways and Means Committee in the House, Mr. David Stewart.

David began his congressional journey in 2000, when he came to intern for Ways and Means Committee member, Congressman Phil English. Over his career as a staffer, David became a trusted voice on policy for Speaker John Boehner, for Speaker PAUL RYAN, and, 2½ years ago, for me, when he joined the Ways and Means Committee as staff director.

This past year, with David’s steady leadership and immutable resolve, we were able to pass the first tax reform in a generation, which has boosted our economy and helped so many American families. David’s focus has always been on making lives better for all Americans, and I stand here to today to tell him: Job well done.

David is a selfless public servant. He sacrificed so much time away from his family—his wife, Betsy, and his daughters, Grace and Poppy—and yet he has served his nation so well.

To say David works hard is an understatement. Once, when he was asked how many hours he worked per week, David replied, simply, with, “A lot.” This also shows David’s wit and his wry sense of humor that has always made busy days brighter.

His dedication to mastering intricate policy is unmatched, and I know, Mr. Speaker, I speak for all members and staff of the Ways and Means Committee when I say: Thank you, David, for your service to the House and the Committee on Ways and Means. You will be greatly missed around here, my friend.

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON FINANCIAL SERVICES,  
Washington, DC, April 12, 2018.

Hon. KEVIN BRADY,  
Chairman, Committee on Ways and Means,  
Washington, DC.

DEAR CHAIRMAN BRADY: I am writing to you regarding H.R. 5444, the “Taxpayer First Act”. There are certain provisions in the legislation which fall within the Rule X jurisdiction of the Committee on Financial Services.



In the interest of permitting your committee to proceed expeditiously to floor consideration of this important bill, I am willing to waive this committee's right to sequential referral. I do so with the understanding that by waiving consideration of the bill the Committee on Financial Services does not waive any future jurisdictional claim over the subject matters contained in the bill which fall within its Rule X jurisdiction. I request that you urge the Speaker to name members of this committee to any conference committee which is named to consider such provisions.

Please place this letter into the committee report on H.R. 5444 and into the Congressional Record during consideration of the measure on the House floor. Thank you for the cooperative spirit in which you have worked regarding this matter and others between our respective committees.

Sincerely,

JEB HENSARLING,  
*Chairman.*

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON WAYS AND MEANS,  
Washington, DC, April 13, 2018.

Hon. JEB HENSARLING,  
*Chairman, Committee on Financial Services,*  
Washington, DC.

DEAR CHAIRMAN HENSARLING: Thank you for your letter concerning H.R. 5444, the "Taxpayer First Act" on which the Financial Services Committee was granted an additional referral.

I am most appreciative of your decision to waive formal consideration of H.R. 5444 so that it may proceed expeditiously to the House floor. I acknowledge that although you waived formal consideration of the bill, the Financial Services Committee is in no way waiving its jurisdiction over the subject matter contained in those provisions of the bill that fall within your Rule X jurisdiction. I would support your effort to seek appointment of an appropriate number of conferees on any House-Senate conference involving this legislation.

I will include a copy of our letters in the Congressional Record during consideration of this legislation on the House floor.

Sincerely,

KEVIN BRADY,  
*Chairman.*

Mr. BRADY of Texas. Mr. Speaker, I yield the balance of my time to the gentlewoman from Kansas (Ms. JENKINS), and I ask unanimous consent that she may control that time.

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

There was no objection.

Ms. JENKINS of Kansas. Mr. Speaker, I reserve the balance of my time.

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

Mr. Speaker, I want to thank Chairman BRADY for all of his great and good work and for all of his help.

Mr. Speaker, I rise in strong support of H.R. 5444. I am proud to join the gentlewoman from Kansas (Ms. JENKINS) in introducing the Taxpayer First Act.

I would like to begin by thanking the chairwoman for her good and great work on this bill. It was a wonderful opportunity and a great pleasure to work with Ms. JENKINS.

I would also like to thank our friend and colleague, the gentleman from Florida (Mr. BUCHANAN), for his deter-

mination to work together on behalf of the taxpayers.

Finally, I would like to recognize our staff—Karen McAfee, Peg McGlinch, Machalagh Carr, Rachel Kaldahl, Liz Navin, Lindsay Steward, Meinan Gogo, Adam York, and Jamila Thompson—for all of their hard, good, and great work, and we will never forget you.

Mr. Speaker, the process and the product should inspire each and every Member of this body. For over a year, the Ways and Means Oversight Subcommittee hosted hearings and roundtables. We listened and asked questions. We asked Democratic and Republican Members to provide feedback. We reached out to taxpayers and advocates. We negotiated. We took our time, and, Mr. Speaker, I believe that we did it right. Together, we developed a bill that improves the independent appeals process and taxpayer services.

Last month, the gentlewoman from Kansas (Ms. JENKINS) and I released a discussion draft of a bill that would strengthen the IRS and improve taxpayers' services. We reviewed the comments and tried to include fixes where there was agreement. The process was transparent and inclusive, and the product is strong and timely.

H.R. 5444 also makes commonsense updates to the structure of the IRS and the Tax Code. In particular, I am very proud of our work to improve IRS enforcement. For example, we were able to address a shocking issue that the National Taxpayer Advocate raised in her 2017 annual report to Congress.

It is hard to believe that the private debt collection program costs three times more than it collects. This flawed program targets and abuses thousands of low-income taxpayers by enrolling them in installment agreements that they simply cannot afford. That is not right. That is not fair. By removing low-income taxpayers from the private debt collection program, H.R. 5444 puts us on the right path.

Unfortunately, the IRS experienced serious system problems yesterday. I am glad that the IRS acted quickly and extended the tax filing deadline. These problems showed us that we need to have an honest talk with ourselves about the work ahead.

We all know that Congress cut the agency's budget by almost \$1 billion since 2010. This reduction harmed both taxpayer services and tax administration. I have said time and time again that you cannot get blood from a turnip. I look forward to working with our colleagues to ensure that the agency has the tools and resources it needs.

It is also important that taxpayers, especially those who are of low income, disabled, and senior citizens, receive fair, quality, and timely help and support.

Through it all, Mr. Speaker, our subcommittee did good work, necessary work. From the beginning, we committed to bipartisanship, and we refused to abandon our course. Mr. Speaker, I am proud of our product and

process. At every crossroad, we remembered the lessons from the past and chose to put the taxpayers first.

Again, I urge all of our colleagues to support this bill. I hope that we will continue to work together and improve the taxpayers' experience.

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

Ms. JENKINS of Kansas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today marks a significant step forward for the American taxpayer as we take up the bipartisan Taxpayer First Act.

The goal of this bill is simple: move the Internal Revenue Service toward being a truly customer service-focused agency, placing a renewed focus on treating taxpayers with respect and dignity.

Mr. Speaker, I want to thank the Ways and Means Oversight Subcommittee Ranking Member, JOHN LEWIS, for cosponsoring this legislation with me.

Together, the subcommittee held 13 formal committee events over the past 3 years, looking at many aspects of how the IRS functions and where improvements are clearly needed. It is in all of our interests for taxpayers to know that the IRS is treating them fairly and with respect.

As a CPA, Members might have heard me talk before about my concerns with the interactions between the IRS and taxpayers. Not only have I heard these concerns while practicing in the private sector, but in my congressional office as well.

In handling constituent services requests through my office, I have found many instances of just outright lack of common sense in administering our Tax Code. As we looked at what changes needed to be made, we focused on the relationship between taxpayers and the government. That means a customer service experience akin to what Americans expect from the private sector, with online services, callback options, and improved support on the phone. To make sure taxpayers receive a fair and impartial review of disputes, we established the Independent Office of Appeals.

This commitment to fair and impartial treatment is the bedrock of the faith Americans place in the IRS.

The vast majority of tax revenues come into the Treasury voluntarily. According to the National Taxpayer Advocate, only 2 percent of all tax revenue collected comes from IRS enforcement actions. A service-oriented, taxpayer-first IRS is key to supporting voluntary compliance.

Our bill also makes permanent the IRS Free File Program, which is not only a win for the taxpayer, but saves the IRS time as well. This commonsense provision is one of the many included in this legislation that has strong bipartisan support and furthers the IRS mission to promote electronic filing.

This bill also includes important taxpayer protections to ensure that the IRS enforcement powers are fair and transparent. For example, this bill includes safeguards to ensure that individuals and small businesses are protected from improper seizures by the IRS.

Lastly, the bill tasks the IRS to develop and submit to Congress a comprehensive plan to restructure the agency, ensuring that it is best positioned to meet the needs of taxpayers today and into the future.

In short, this is the reform I promised my constituents in Kansas and the reforms that all Americans deserve.

Mr. Speaker, I would also like to note that we have received a score from the Congressional Budget Office, which I include in the RECORD.

U.S. CONGRESS,  
CONGRESSIONAL BUDGET OFFICE,  
Washington, DC, April 16, 2018.

Hon. KEVIN BRADY,  
Chairman, Committee on Ways and Means,  
House of Representatives, Washington, DC.  
DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 5444, the Taxpayer First Act.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,

KEITH HALL,  
Director.

Enclosure.

H.R. 5444—TAXPAYER FIRST ACT  
As reported by the House Committee on  
Ways and Means on April 13, 2018

#### SUMMARY

H.R. 5444 would make a number of changes to the management and oversight of the Internal Revenue Service (IRS). The bill would:

- Aim to improve customer service and the taxpayer appeals assistance process;
- Restrict certain IRS enforcement activities;
- Modify the agency's organization; and

Change the operations of the U.S. Tax Court.

The staff of the Joint Committee on Taxation (JCT) estimates that enacting the bill would reduce revenues by \$102 million over the 2019–2028 period, and CBO estimates that enacting H.R. 5444 would decrease direct spending by \$51 million over the same period. On net, H.R. 5444 would increase deficits by \$52 million over the period. CBO has not completed an estimate of the bill's costs that are subject to annual appropriation.

Because enacting the bill would affect direct spending and revenues, pay-as-you-go procedures apply.

CBO and JCT estimate that enacting H.R. 5444 would not increase net direct spending or significantly affect on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

JCT has reviewed H.R. 5444 and determined that it contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

#### ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary effect of H.R. 5444 is shown in the following table. The costs of the legislation fall within budget function 800 (general government).

	By fiscal year, in millions of dollars—													2019– 2023	2019– 2028
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028				
DECREASES IN REVENUES															
Estimated Revenues .....	0	– 32	– 57	– 12	– 1	*	*	*	*	*	*	*	– 101	– 102	
DECREASES IN DIRECT SPENDING <sup>a</sup>															
Estimated Budget Authority .....	0	– 16	– 29	– 6	*	*	*	*	*	*	*	*	– 51	– 51	
Estimated Outlays .....	0	– 16	– 29	– 6	*	*	*	*	*	*	*	*	– 51	– 51	
NET INCREASE IN THE DEFICIT FROM CHANGES IN DIRECT SPENDING AND REVENUES															
Effect on the Deficit .....	0	16	29	6	*	*	*	*	*	*	*	*	51	52	

Components may not sum to totals because of rounding; \* = between –\$500,000 and zero.

<sup>a</sup>CBO expects that implementing the bill would increase spending for the Internal Revenue Service (IRS) that is subject to appropriation. CBO has not completed an estimate of those costs. In 2018, the Congress appropriated \$11.1 billion for IRS operations.

#### BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes that H.R. 5444 will be enacted by the end of fiscal year 2018.

#### REVENUES

Under current law, the IRS is authorized to use private debt collection companies to locate and contact taxpayers who owe federal taxes and to arrange for the payment of those amounts. The bill would prohibit the use of private collection companies when the affected taxpayer's adjusted gross income is at or below 250 percent of the poverty level (as determined by the Secretary of the Treasury). The provision would take effect six months after the enactment of the legislation and end in December 2019. JCT estimates that the change would reduce revenues by \$102 million over the 2019–2028 period. The provision also would affect direct spending, as discussed under the heading, "Direct Spending."

JCT estimates that other provisions in the bill would reduce revenues by an insignificant amount in each year.

#### DIRECT SPENDING

The bill's prohibition on using private debt collectors in certain cases would reduce direct spending. Under current law, the IRS enters into contracts with private companies to collect delinquent tax liabilities owed to the federal government. Under those contracts, the IRS may allow those businesses to retain up to 25 percent of the amounts they collect. Another 25 percent of the amounts collected is available to the IRS to

spend on enforcement activities. CBO estimates that repealing the private debt collection authority and allowing the current contracts to expire would reduce direct spending by \$51 million over the 2019–2028 period, or 50 percent of the estimated reduction in revenues stemming from this provision.

Other provisions in the bill would have an insignificant effect on direct spending.

#### PAY-AS-YOU-GO CONSIDERATIONS

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in outlays and revenues that are subject to those pay-as-you-go procedures are shown in the following table.

CBO ESTIMATE OF PAY-AS-YOU-GO EFFECTS FOR H.R. 5444, THE TAXPAYER FIRST ACT, AS ORDERED REPORTED BY THE HOUSE COMMITTEE ON WAYS AND MEANS ON APRIL 11, 2018

															By fiscal year, in millions of dollars—															
																	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2018–2023	2018–2029	
NET INCREASE IN THE DEFICIT																														
Statutory Pay-As-You-Go Impact .....																	0	16	29	6	*	*	*	*	*	*	*	*	51	52
Memorandum:																														
Decreases in Outlays .....																	0	–16	–29	–6	*	*	*	*	*	*	*	*	–51	–51
Decreases in Revenues .....																	0	–32	–57	–12	–1	*	*	*	*	*	*	*	–101	–102

#### INCREASE IN LONG-TERM DIRECT SPENDING AND DEFICITS

CBO and JCT estimate that enacting H.R. 5444 would not increase net direct spending or significantly affect on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

#### MANDATES

JCT has reviewed H.R. 5444 and determined that it contains no intergovernmental or private-sector mandates as defined in UMRA.

#### ESTIMATE PREPARED BY

Federal Costs: Janet Holtzblatt and Matthew Pickford.

#### ESTIMATE REVIEWED BY

Kim P. Cawley, Chief, Natural and Physical Resources Cost Estimates Unit.

H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

Theresa Gullo, Assistant Director for Budget Analysis.

John McClelland, Assistant Director for Tax Analysis.

Ms. JENKINS of Kansas. Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 3 minutes to the gentlewoman



from California (Ms. ESHOO), my good friend.

Ms. ESHOO. Mr. Speaker, I thank our beloved JOHN LEWIS for yielding time to me.

Mr. Speaker, I rise today in strong support of H.R. 5444, the Taxpayer First Act. This is bipartisan legislation, and it was unanimously reported out by the Committee on Ways and Means on April 13. It includes a number of important provisions that will modernize, as the Members have been saying, and improve how the IRS administers the Federal Tax Code.

The legislation also makes permanent a popular IRS program that has helped prepare 50 million free returns and e-filings over the last 15 years, saving taxpayers more than \$1.5 billion—yes, with a B—in tax compliance costs. That program is the Free File Program. It is an effective partnership between the IRS and the tax preparation community that provides free individual tax preparation and e-filing services to taxpayers with incomes in the bottom 70 percent.

I have been a strong supporter of stand-alone legislation on this issue over several Congresses, and I am really pleased to see that it is included in H.R. 5444.

The Free File Program is also a product of the decentralized system of private taxpayers that we have in place for the American public to file their taxes each year. Consumers have a choice when it comes to whom they choose to prepare their taxes, and choice is a product of competition and the primary ingredient for innovation.

Some have argued that this should be a centralized system, requiring all taxpayers to file their tax returns using one system housed under one roof. But just yesterday, we saw the IRS electronic filing system and e-services crash, and they remained out of service for most of the day. I think taxpayers are better served when they have a decentralized tax ecosystem that can continue to run smoothly in the face of large and unexpected shocks to the system.

We live every day with the increasing threat of data breaches and cyber attacks that threaten the financial stability of more and more Americans, and it is even a greater argument against housing our tax infrastructure under one roof. Imagine the target this could create for the world's most dangerous cybercriminals.

So I am proud to support this bipartisan legislation, because I think it is an excellent example of what both sides of the aisle, Republicans and Democrats, can do when we work together for the good of the American people.

Mr. Speaker, I urge all of my colleagues to vote “aye” on H.R. 5444.

□ 1400

Ms. JENKINS of Kansas. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. ROSKAM).

Mr. ROSKAM. Mr. Speaker, I want to thank Chairman JENKINS and Ranking Member LEWIS for their work on this, and I am pleased that the underlying bill includes the RESPECT Act, which deals with civil asset forfeiture abuses by the Internal Revenue Service, and I strongly urge the other body to take this up.

Mr. Speaker, I want to pick up on one of the themes that the gentlewoman from California just mentioned—the Free File Program—and explain why it is important.

She mentioned a decentralized program which makes all of the sense in the world. She mentioned a level of predictability that makes all the sense in the world. There are opponents to this, however, and I just scratch my head. There are some fringe groups that have said: Oh, no, no, no, that is a bad idea.

Instead, what they are proposing is this: that the Internal Revenue Service fills out your tax returns; that the Internal Revenue Service acts as judge, jury, and executioner. That is a terrible idea. It is called ReadyReturn. It is a disaster. We ought not do that.

Instead, as the gentlewoman from California said, let's do this program. It saves untold sums of money. It is a great benefit to modest taxpayers—those who are earning less than \$66,000 in their adjusted gross income—and it also puts the onus on the private sector to actively participate in this process. So in a nutshell, this is a good bill. It is well thought out. It is bipartisan. It has been well crafted and well contemplated, and I urge its passage.

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased to yield 4 minutes to the gentleman from Oregon (Mr. BLUMENAUER), who is a member of the Health, Oversight, and Tax Policy Subcommittees.

Mr. BLUMENAUER. Mr. Speaker, I appreciate the gentleman's courtesy, and I appreciate his hard work with Chair JENKINS moving this forward.

This is an example of—maybe people don't think it is earthshaking—but being able to come together and deal with things that make a difference with the IRS, which is the largest voluntary tax compliance system in the world. It is very important. And I am pleased, with the reference to 13 hearings and a lot of the back and forth, being able to reach consensus.

But let me say, I wish that those two people who led this effort had been empowered to do a deep dive into some of the dysfunctionality that has been imposed on the IRS. Since 2010, the IRS is dealing with more and more returns which are more and more complex, and my Republican friends have slashed the people who work on it.

We haven't modernized the computer system which those of us who took our first computer programming in the 1970s, I think, would be equipped to work on. It is so outdated.

We have cut the people who were involved with enforcement. Now, I would

wish that everybody would voluntarily comply, but everybody doesn't. And as a result, those people who work on enforcement make about \$6 for the taxpayer for every dollar we invest in their efforts. And, more importantly, it is a signal that everybody is going to be treated fairly. The people who cut corners, who forget, or who outright cheat are taking away money from the government and putting the burden on others who not only have to pick up the slack, but the people who cheat get an unfair advantage in how they do business.

They are more profitable because they don't pay their full freight. That is stupid, unfair, and it is counterproductive. That is one of the reasons why we have a \$450 billion tax gap—the difference between what is owed as a result of people's tax liability and what is paid.

My friends on the other side of the aisle have been involved with punishing the IRS for things real and imagined. But who has really suffered has been the taxpayer, people who can't get their phone calls answered. The IRS doesn't have staff in customer service who can readily answer concerns that taxpayers have.

I am outraged when I hear attorneys and accountants in my community say: Yeah, I had a client who had a legitimate claim and they would have gotten that \$4,000 back, but I had to tell them that, because of the dysfunctionality and the underinvestment in the IRS, it would cost them more for me to fix it for them than they would get back.

That is a scandal. We ought to make sure that we have a fully functioning IRS that meets the needs of the taxpayers, that gives them the answers that they need, that makes a very clear signal that everybody needs to fulfill their civic obligations to pay their taxes, and that businesses that cheat or forget are not going to get an unfair advantage over people who work hard to follow the rules. Our deficit would be \$450 billion less if we did this properly.

The SPEAKER pro tempore (Mr. FLORES). The time of the gentleman has expired.

Mr. LEWIS of Georgia. Mr. Speaker, I yield an additional 2 minutes to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman because I wanted to make one other point. But I must confess that one of the other reasons that I am really deeply concerned about that now is that it wasn't just that we weren't able to do a deep dive on the causes of dysfunctionality and underinvestment in the IRS.

It is no secret that one of my highest priorities as a Member of Congress and as a member of the Ways and Means Committee, was to be there to help us fulfill our responsibility on that committee dealing with the resources necessary to rebuild and renew America.

It is no secret that America is falling apart while we are falling behind. We

have a growing gap in our Highway Trust Fund that has lost 40 percent of its purchasing power. We are not able to meet our current commitments, let alone the commitments we have in the future.

The Ways and Means Committee allowed the Superfund tax to expire. So now we have a Superfund to clean up toxic waste that has blighted communities across the country, but we no longer have a tax that pays for it. So that burden has been shifted to innocent parties and local government.

I have been working with the last three chairs of our Ways and Means Committee, asking that we have some robust hearings on our responsibility for transportation.

The Transportation and Infrastructure Committee deals with the authorization of the Surface Transportation Assistance Act, but the Ways and Means Committee is responsible for funding it. A couple of weeks ago, there was a hearing in the Transportation and Infrastructure Committee on our job. They heard from witnesses from labor, from business, the U.S. Chamber, trucking associations—a wide range of people who came in and asked us to raise taxes on them.

The SPEAKER pro tempore. The time of the gentleman has again expired.

Mr. LEWIS of Georgia. Mr. Speaker, I yield an additional 1 minute to the gentleman from Oregon.

Mr. BLUMENAUER. Mr. Speaker, I thank the gentleman. I really will wrap up. But we have had no hearing like the Transportation and Infrastructure Committee had. They brought all of the witnesses in to talk about our job.

The last three chairs of the Ways and Means Committee from my Republican friends, in 7 years and 3 months, have had exactly one witness on our responsibility to raise the revenue for transportation, not one hearing. We had 380 hearings. We had one 5-minute witness who talked about the need to meet our responsibilities.

Mr. Speaker, why do we have to go to the Transportation and Infrastructure Committee to hear our job? Isn't it about time that my Republican friends allowed us to have a week or two to listen to the wide array of people who want us to fulfill our responsibility to rebuild and renew America and to pay for it? It is past time for that hearing, and I hope we have it. And then we act on what people tell us.

Ms. JENKINS of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Iowa (Mr. YOUNG).

Mr. YOUNG of Iowa. Mr. Speaker, I want to thank my colleagues Ms. JENKINS and Mr. LEWIS, and Chairman BRADY and Ranking Member NEAL, for working on such a commonsense bill that is very bipartisan, of course.

We expect to see that kind of support on the floor as well as that of the committee.

I rise in support of this great bill, H.R. 5444, the Taxpayer First Act. My

bill—and I thank the committee—H.R. 5386, the IRS Fair Appeals Saving Taxpayers Act, or IRS FAST Act, was included in the final text of the underlying bill. So this bill, in particular, will help hardworking taxpayers navigate the IRS maze by requiring the IRS to turn over all nonprivileged documents to an individual or business if the taxpayer appeals the IRS' determination decision.

Taxpayers are finally being given an equal playing field. Under current law, the IRS will only turn over a taxpayer's documents through a Freedom of Information Act, or FOIA request, a process which most taxpayers don't know even exists. It takes a long time and is difficult to navigate. In a court of law, everyone has the right to see the evidence that will be used against them, and the IRS is not above the law and should not be able to play games with taxpayers.

Mr. Speaker, it shouldn't take a FOIA, a Freedom of Information Act, request to see what evidence the IRS is going to use against you. The IRS FAST Act, which is within H.R. 5444, will require the IRS to provide taxpayers with their case file prior to any review of their dispute with the IRS.

It is common sense and the taxpayers have a victory here. Allowing taxpayers this opportunity is an important step toward bringing accountability and transparency to the IRS. It will improve the experience for taxpayers when navigating the IRS appeals process, saving them time and money.

Mr. Speaker, I am pleased to see my bill included in the final legislation, H.R. 5444, the Taxpayer First Act, and I thank my colleagues for their leadership.

Mr. LEWIS of Georgia. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Illinois (Mr. DANNY K. DAVIS), a member of the Ways and Means Committee.

Mr. DANNY K. DAVIS of Illinois. Mr. Speaker, I want to thank Mr. LEWIS for yielding.

Mr. Speaker, I rise in support of H.R. 5444, the Taxpayer First Act. In particular, I commend Representatives LEWIS and JENKINS for their leadership to prevent private debt collectors from pursuing tax collections from individuals and families earning under 250 percent of the Federal poverty level.

I was deeply disturbed by the report of the Taxpayer Advocate which found that private debt collection enforcement this year targeted SSDI and SSI recipients, subjected impoverished Social Security recipients to levies, and put 45 percent of the studied taxpayers into installment agreements they could not afford.

The private debt collection program appears to have increased the profits of debt collectors at the expense of the disabled, retirees, and impoverished—counter to IRS policy and decency. Creating an independent appeals process, improving the offer in compromise

program, and modernizing the IRS are overdue improvements.

So I thank Ranking Member LEWIS and Chairman JENKINS for their leadership, and I urge all of my colleagues to support this important legislation.

Ms. JENKINS of Kansas. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee (Mr. KUSTOFF).

Mr. KUSTOFF of Tennessee. Mr. Speaker, I rise today in support of H.R. 5444, the Taxpayer First Act.

I want to thank Chairman JENKINS and Ranking Member LEWIS for their thoughtful approach to this legislation. Many of these reforms, I think we can all agree, are long overdue, and the American taxpayer deserves better.

□ 1415

By requiring the IRS to submit to Congress a comprehensive customer service strategy and overhauling the tools of enforcement in order to protect American taxpayers, we will be creating a culture at the agency that will focus on one singular mission, and that is taxpayers first. Frankly, Mr. Speaker, this should be the motto of every Federal agency.

For the first time, this bill will codify an Independent Office of Appeals, so that all taxpayers have access to an administrative review process, and give Congress additional oversight over the agency itself.

Additionally, the Taxpayer First Act simplifies enforcement actions of the IRS so that individuals and small-business owners understand their liabilities and what potential actions could be taken by the IRS.

I also want to thank the committee for including a number of important provisions to this bill to protect taxpayers' identities and further combat cybersecurity threats.

In recent years, we all know that millions of Americans have had their personal and financial information stolen and jeopardized through data breaches of companies like Equifax, Target, and even at the Office of Personnel Management.

I am glad to see Congress continuing to push for proactive measures to protect Americans against tax fraud schemes by working with Federal, State, and private partners. These protections will be especially important as the IRS seeks to modernize its services and its IT systems.

With the recent passage of the Tax Cuts and Jobs Act, Congress passed legislation to reform our Nation's Tax Code for the first time in over 30 years. Today we have the opportunity to begin reforming the Internal Revenue Service for the first time in 20 years.

Mr. Speaker, this is vitally important legislation, and I urge all Members to vote "yes."

Mr. LEWIS of Georgia. Mr. Speaker, I yield 3 minutes to the gentlewoman from Alabama (Ms. SEWELL). The Congresswoman is a member of the Ways and Means Committee.

Ms. SEWELL of Alabama. Mr. Speaker, I rise today in support of H.R. 5444,

the Taxpayer First Act. I want to take a point of personal privilege and congratulate the gentlewoman from Kansas and the gentleman from Georgia for working together and showing the Nation that, indeed, Democrats and Republicans can put party aside and actually get something done here in the Nation's Capitol. I especially want to thank the gentleman from Georgia, Congressman LEWIS, who, of course, is a native son of Alabama.

On this tax day, this bill is an opportunity for us to change the relationship many taxpayers have with the Internal Revenue Service. Tax season is a stressful time for millions of Americans, and the compliance burden on the average American and small-business owner is unnecessarily difficult. We are taking important steps today to make the tax filing experience more sensible, fairer, and more efficient.

The base text of this bill includes the text of the bill that I introduced with our Republican colleague, JASON SMITH, the Preserving Taxpayers' Rights Act. Our provisions, as a part of this bill, will introduce process reforms in four ways to help the Internal Revenue Service become more efficient and strengthen its ability to provide service to its customers.

First, our provisions would maintain taxpayers' legal right to have their case heard by the independent and impartial IRS Office of Appeals to ensure the timely, efficient, and cost-effective resolution of any tax disputes between a taxpayer and the IRS.

Secondly, it will ensure that cases the IRS designates for litigation can only be used where the matter involves a tax abuse that affects a large amount of taxpayers.

Thirdly, the provision in our bill that is in this underlying text would ensure that the use of designated summonses that extend the time period for the IRS to assess a tax liability are properly authorized and only used when taxpayers are uncooperative and refuse to provide information requested by the IRS.

Finally, the provision would also prevent the IRS from outsourcing Federal tax audits of private taxpayers to outside law firms.

In summary, our provisions in the bill will improve the independent appeals process, ensuring that the existing right of appeal is maintained and strengthened for taxpayers.

Mr. Speaker, overall, H.R. 5444 is a good bill that will make the tax filing experience much more sensible, fairer, and efficient. I urge all of my colleagues to support this bill.

Ms. JENKINS of Kansas. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. LAHOOD).

Mr. LAHOOD. Mr. Speaker, I want to thank Chairwoman JENKINS for yielding the time.

Mr. Speaker, I rise today in support of H.R. 5444, the Taxpayer First Act.

As I travel around my district, one of the common concerns that I hear and

complaints that I hear is that the IRS is not user friendly, that it is not attentive and isn't efficient, effective, and accountable. We do a lot with this bill here today to change that. This is a good piece of legislation.

I would like to thank Chairwoman JENKINS as well as Ranking Member LEWIS for their hard work and leadership throughout the drafting of this legislation.

Over the past several months, the House Ways and Means Committee and the Oversight Subcommittee, in particular, on which I serve, have focused on finding bipartisan legislative solutions which will make much-needed changes at the IRS. Ensuring an efficient, accountable, and transparent IRS is key to restoring the trust between taxpayers and the agency. It is also necessary for effective implementation of our reformed Tax Code.

We have a responsibility to provide taxpayers with the tools and resources they need to make filing their taxes simpler, which was also a major goal of tax reform.

We must ensure that the IRS puts customer service first so that taxpayers can have confidence that their information is protected and that we upgrade the IRS technology for the 21st century.

Unfortunately, it has been over 20 years since major reforms were made to the IRS, but through the passage of this legislation and others on the floor this week, we have an opportunity to finally bring about these changes.

I am also pleased that the Taxpayer First Act includes H.R. 5342, the Improving Assistance for Taxpayers Act, which I authored and introduced as part of this process.

Currently, the Office of the Taxpayer Advocate, located within the IRS, represents taxpayer interests and helps address both individual and systemic issues at the agency.

When it comes to addressing systemic issues, the Taxpayer Advocate can issue what is called a Taxpayer Advocate Directive. Unfortunately, these orders are not always responded to in a detailed and timely manner or even addressed at all.

My bill aims to improve this process. Specifically, the IRS would be required to respond to Taxpayer Advocate Directives within 90 days. We also establish an appeals process when the advocate deems necessary. If detailed and timely responses are not provided, the Taxpayer Advocate must report such instances to the Congress. These changes will improve accountability and ensure substantive and timely answers for taxpayers dealing with an issue at the IRS.

Mr. Speaker, after two decades and with a new Tax Code to be implemented, the time is now to improve the Internal Revenue Service through these bipartisan and commonsense reforms. We need to continue our work in putting taxpayers first, and I urge my colleagues to join me in supporting H.R. 5444.

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself such time as I may consume to close.

Mr. Speaker, working to improve taxpayer service is no easy task. Every person in this body agrees on the importance of better access to quality taxpayer service, whether it is online, over the phone, or in person.

The IRS is a complex organization that is responsible for a core function of our government. We asked for input from Members of Congress, Federal agencies, and the public. When we reached out, we were responsive and thoughtful. We will continue to work to improve the IRS, to support their staff, and to put taxpayers first.

Again, I want to thank my friend, the gentlewoman from Kansas (Ms. JENKINS), the subcommittee members, and all of the staff for their hard, great, and good work for this bill.

Most important, Members of Congress must remain focused on doing what is right, what is just, and what is in the best interests for every American taxpayer. I encourage all of our colleagues to vote "yes" on H.R. 5444.

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

Ms. JENKINS of Kansas. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, this thoughtful, bipartisan legislation will help refocus the IRS on its taxpayer service mission.

Mr. Speaker, I urge all Members to support this legislation, and I yield back the balance of my time.

Mr. ESTES of Kansas. Mr. Speaker, I rise today in support of H.R. 5444 . . . the Taxpayer First Act . . . which would reform the IRS to focus on serving the taxpayers instead of the federal government.

This commonsense approach should be just that. However, under the previous administration, we saw how the IRS was weaponized against certain citizens and groups. This is unacceptable and the American people deserve better.

This bill would require the IRS to focus on customer service by improving the dispute resolution process within the agency; requiring the IRS to maintain the free file program; ensuring the IRS notifies taxpayers when they are conducting an audit; and requiring the IRS to submit plans to improve customer service and efficiency to Congress.

These reforms will make sure taxpayers are respected and treated fairly by the IRS. As President Reagan famously said, "The most terrifying words in the English language are: 'I'm from the government and I'm here to help.'" That's a scary prospect but should not keep us from working to make government more accessible and customer friendly.

This bill would refocus the mission of the IRS to actually help taxpayers, instead of only target and punish them.

As a former state treasurer of Kansas, I understand the importance of being a good steward of taxpayer's hard-earned money. This bill works to accomplish that goal and I urge my colleagues to support it.

The SPEAKER pro tempore. All time for debate has expired.

Pursuant to House Resolution 831, the previous question is ordered on the bill, as amended.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Ms. JENKINS of Kansas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this question will be postponed.

## 21ST CENTURY IRS ACT

Ms. JENKINS of Kansas. Mr. Speaker, pursuant to House Resolution 831, I call up the bill (H.R. 5445) to amend the Internal Revenue Code of 1986 to improve cybersecurity and taxpayer identity protection, and modernize the information technology of the Internal Revenue Service, and for other purposes, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 831, the amendment in the nature of a substitute recommended by the Committee on Ways and Means, printed in the bill, is considered as adopted, and the bill, as amended, is considered read.

The text of the bill, as amended, is as follows:

H.R. 5445

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

### SECTION 1. SHORT TITLE; ETC.

(a) **SHORT TITLE.**—This Act may be cited as the “21st Century IRS Act”.

(b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

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

Sec. 1. Short title; etc.

### TITLE I—CYBERSECURITY AND IDENTITY PROTECTION

Sec. 101. Public-private partnership to address identity theft refund fraud.

Sec. 102. Recommendations of Electronic Tax Administration Advisory Committee regarding identity theft refund fraud.

Sec. 103. Information sharing and analysis center.

Sec. 104. Compliance by contractors with confidentiality safeguards.

Sec. 105. Report on electronic payments.

### TITLE II—DEVELOPMENT OF INFORMATION TECHNOLOGY

Sec. 201. Management of Internal Revenue Service information technology.

Sec. 202. Development of online accounts and portals.

Sec. 203. Internet platform for Form 1099 filings.

### TITLE III—MODERNIZATION OF CONSENT-BASED INCOME VERIFICATION SYSTEM

Sec. 301. Disclosure of taxpayer information for third-party income verification.

Sec. 302. Limit redisclosures and uses of consent-based disclosures of tax return information.

### TITLE IV—EXPANDED USE OF ELECTRONIC SYSTEMS

Sec. 401. Electronic filing of returns.

Sec. 402. Uniform standards for the use of electronic signatures for disclosure authorizations to, and other authorizations of, practitioners.

Sec. 403. Payment of taxes by debit and credit cards.

### TITLE I—CYBERSECURITY AND IDENTITY PROTECTION

#### SEC. 101. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS IDENTITY THEFT REFUND FRAUD.

The Secretary of the Treasury (or the Secretary's delegate) shall work collaboratively with the public and private sectors to protect taxpayers from identity theft refund fraud.

#### SEC. 102. RECOMMENDATIONS OF ELECTRONIC TAX ADMINISTRATION ADVISORY COMMITTEE REGARDING IDENTITY THEFT REFUND FRAUD.

The Secretary of the Treasury shall ensure that the advisory group convened by the Secretary pursuant to section 2001(b)(2) of the Internal Revenue Service Restructuring and Reform Act of 1998 (commonly known as the Electronic Tax Administration Advisory Committee) studies (including by providing organized public forums) and makes recommendations to the Secretary regarding methods to prevent identity theft and refund fraud.

#### SEC. 103. INFORMATION SHARING AND ANALYSIS CENTER.

(a) **IN GENERAL.**—The Secretary of the Treasury (or the Secretary's delegate) may participate in an information sharing and analysis center to centralize, standardize, and enhance data compilation and analysis to facilitate sharing actionable data and information with respect to identity theft tax refund fraud.

(b) **DEVELOPMENT OF PERFORMANCE METRICS.**—The Secretary of the Treasury (or the Secretary's delegate) shall develop metrics for measuring the success of such center in detecting and preventing identity theft tax refund fraud.

(c) **DISCLOSURE.**—

(1) **IN GENERAL.**—Section 6103(k) is amended by adding at the end the following new paragraph:

“(13) **DISCLOSURE OF RETURN INFORMATION FOR PURPOSES OF CYBERSECURITY AND THE PREVENTION OF IDENTITY THEFT TAX REFUND FRAUD.**—

“(A) **IN GENERAL.**—Under such procedures and subject to such conditions as the Secretary may prescribe, the Secretary may disclose specified return information to specified ISAC participants to the extent that the Secretary determines such disclosure is in furtherance of effective Federal tax administration relating to the detection or prevention of identity theft tax refund fraud, validation of taxpayer identity, authentication of taxpayer returns, or detection or prevention of cybersecurity threats.

“(B) **SPECIFIED ISAC PARTICIPANTS.**—For purposes of this paragraph—

“(i) **IN GENERAL.**—The term ‘specified ISAC participant’ means—

“(I) any person designated by the Secretary as having primary responsibility for a function performed with respect to the information sharing and analysis center described in section 403(a) of the 21st Century IRS Act, and

“(II) any person subject to the requirements of section 7216 and which is a participant in such information sharing and analysis center.

“(ii) **INFORMATION SHARING AGREEMENT.**—Such term shall not include any person unless

such person has entered into a written agreement with the Secretary setting forth the terms and conditions for the disclosure of information to such person under this paragraph, including requirements regarding the protection and safeguarding of such information by such person.

“(C) **SPECIFIED RETURN INFORMATION.**—For purposes of this paragraph, the term ‘specified return information’ means—

“(i) in the case of a return which is in connection with a case of potential identity theft refund fraud—

“(I) in the case of such return filed electronically, the internet protocol address, device identification, email domain name, speed of completion, method of authentication, refund method, and such other return information related to the electronic filing characteristics of such return as the Secretary may identify for purposes of this subclause, and

“(II) in the case of such return prepared by a tax return preparer, identifying information with respect to such tax return preparer, including the preparer taxpayer identification number and electronic filer identification number of such preparer,

“(ii) in the case of a return which is in connection with a case of a identity theft refund fraud which has been confirmed by the Secretary (pursuant to such procedures as the Secretary may provide), the information referred to in subclauses (I) and (II) of clause (i), the name and taxpayer identification number of the taxpayer as it appears on the return, and any bank account and routing information provided for making a refund in connection with such return, and

“(iii) in the case of any cybersecurity threat to the Internal Revenue Service, information similar to the information described in subclauses (I) and (II) of clause (i) with respect to such threat.

“(D) **RESTRICTION ON USE OF DISCLOSED INFORMATION.**—

“(i) **DESIGNATED THIRD PARTIES.**—Any return information received by a person described in subparagraph (B)(i)(I) shall be used only for the purposes of and to the extent necessary in—

“(I) performing the function such person is designated to perform under such subparagraph,

“(II) facilitating disclosures authorized under subparagraph (A) to persons described in subparagraph (B)(i)(II), and

“(III) facilitating disclosures authorized under subsection (d) to participants in such information sharing and analysis center.

“(ii) **RETURN PREPARERS.**—Any return information received by a person described in subparagraph (B)(i)(II) shall be treated for purposes of section 7216 as information furnished to such person for, or in connection with, the preparation of a return of the tax imposed under chapter 1.

“(E) **DATA PROTECTION AND SAFEGUARDS.**—Return information disclosed under this paragraph shall be subject to such protections and safeguards as the Secretary may require in regulations or other guidance or in the written agreement referred to in subparagraph (B)(ii). Such written agreement shall include a requirement that any unauthorized access to information disclosed under this paragraph, and any breach of any system in which such information is held, be reported to the Treasury Inspector General for Tax Administration.”.

(2) **APPLICATION OF CIVIL AND CRIMINAL PENALTIES.**—

(A) Section 6103(a)(3) is amended by striking “subsection (k)(10)” and inserting “paragraph (10) or (13) of subsection (k)”.

(B) Section 7213(a)(2) is amended by inserting “or (13)” after “(k)(10)”.

#### SEC. 104. COMPLIANCE BY CONTRACTORS WITH CONFIDENTIALITY SAFEGUARDS.

(a) **IN GENERAL.**—Section 6103(p) is amended by adding at the end the following new paragraph: