OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 10, 2019.

Hon. NANCY PELOSI,
The Speaker, House of Representatives, Washington, DC.

DEAR MADAM 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 June 10, 2019, at 11:03 a.m.:

That the Senate passed S. 1289.

That the Senate passed S. 1749.

That the Senate agreed to S. Con. Res, 15.

With best wishes, I am

Sincerely,

CHERYL L. JOHNSON.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess until approximately 3 p.m. today.

Accordingly (at 2 o'clock and 6 minutes p.m.), the House stood in recess.

□ 1500

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. CUELLAR) at 3 p.m.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or votes objected to under clause 6 of rule XX.

The House will resume proceedings on postponed questions at a later time.

TAXPAYER FIRST ACT

Mr. LEWIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3151) to amend the Internal Revenue Code of 1986 to modernize and improve the Internal Revenue Service, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 3151

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 for this Act is as follows:

TITLE I—PUTTING TAXPAYERS FIRST

Subtitle A—Independent Appeals Process

SEC. 1001. 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 Commissioner of Internal Revenue 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 Commissioner of Internal Revenue 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 a notice of deficiency authorized under section 6212 requests referral to the Internal Revenue Service Independent Office of Appeals and such request is denied, the Commissioner of Internal Revenue 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 prescribed under subparagraph (C) for protesting the decision to deny the request.

''(B) REPORT TO CONGRESS.—The Commissioner of Internal Revenue 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 Commissioner of Internal Revenue shall prescribe procedures for protesting to the Commissioner of Internal Revenue 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)).

''(6) 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, to the extent practicable, 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 any case in which a conference with the Internal Revenue Service Independent Office of Appeals has been scheduled upon request of a specified taxpayer, 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 for the taxable year to which the dispute relates, and

''(II) in the case of any other taxpayer, a taxpayer whose gross receipts do not exceed $5,000,000 for the taxable year to which the dispute relates.

''(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.

Subtitle B—Improved Service

SEC. 1101. 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 (or the Secretary's delegate) 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 (or the Secretary's delegate) 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. 1102. 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.

Subtitle C—Sensible Enforcement

SEC. 1201. 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 so found 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 an ownership 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. 1202. 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. 139H. 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. 139H. 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. 1203. 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. 1204. 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 that is 45 days after the date of the enactment of this Act.

SEC. 1205. PRIVATE DEBT COLLECTION AND SPECIAL COMPLIANCE PERSONNEL PROGRAM.

(a) CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR COLLECTION UNDER TAX COLLECTION CONTRACTS.—Section 6306(d)(3) is amended by striking ''or'' at the end of subparagraph (C) and by inserting after subparagraph (D) the following new subparagraphs:

''(E) a taxpayer substantially all of whose income consists of disability insurance benefits under section 223 of the Social Security Act or supplemental security income benefits under title XVI of the Social Security Act (including supplemental security income benefits of the type described in section 1616 of such Act or section 212 of Public Law 93–66), or

''(F) 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 200 percent of the applicable poverty level (as determined by the Secretary),''.

(b) DETERMINATION OF INACTIVE TAX RECEIVABLES ELIGIBLE FOR COLLECTION UNDER TAX COLLECTION CONTRACTS.—Section 6306(c)(2)(A)(ii) is amended by striking ''more than ⅓ of the period of the applicable statute of limitation has lapsed'' and inserting ''more than 2 years has passed since assessment''.

(c) MAXIMUM LENGTH OF INSTALLMENT AGREEMENTS OFFERED UNDER TAX COLLECTION CONTRACTS.—Section 6306(b)(1)(B) is amended by striking ''5 years'' and inserting ''7 years''.

(d) CLARIFICATION THAT SPECIAL COMPLIANCE PERSONNEL PROGRAM ACCOUNT MAY BE USED FOR PROGRAM COSTS.—

(1) IN GENERAL.—Section 6307(b) is amended—

(A) in paragraph (2), by striking all that follows ''under such program'' and inserting a period, and

(B) in paragraph (3), by striking all that follows ''out of such account'' and inserting ''for other than program costs.''.

(2) COMMUNICATIONS, SOFTWARE, AND TECHNOLOGY COSTS TREATED AS PROGRAM COSTS.—Section 6307(d)(2)(B) is amended by striking ''telecommunications'' and inserting ''communications, software, technology''.

(3) CONFORMING AMENDMENT.—Section 6307(d)(2) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by inserting after subparagraph (B) the following new subparagraph:

''(C) reimbursement of the Internal Revenue Service or other government agencies for the cost of administering the qualified tax collection program under section 6306.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to tax receivables identified by the Secretary (or the Secretary's delegate) after December 31, 2020.

(2) MAXIMUM LENGTH OF INSTALLMENT AGREEMENTS.—The amendment made by subsection (c) shall apply to contracts entered into after the date of the enactment of this Act.

(3) USE OF SPECIAL COMPLIANCE PERSONNEL PROGRAM ACCOUNT.—The amendment made by subsection (d) shall apply to amounts expended from the special compliance personnel program account after the date of the enactment of this Act.

SEC. 1206. 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. 1207. MODIFICATION OF AUTHORITY TO ISSUE DESIGNATED SUMMONS.

(a) IN GENERAL.—Paragraph (1) of section 6503(j) is amended by striking ''coordinated examination program'' and inserting ''coordinated industry case program''.

(b) REQUIREMENTS FOR SUMMONS.—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 Commissioner 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,''.

(c) 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.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to summonses issued after the date which is 45 days after the date of the enactment of this Act.

SEC. 1208. 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.—The amendment made by this section—

(1) shall take effect on the date of the enactment of this Act; and

(2) shall not fail to apply to a contract in effect under section 6103(n) of the Internal Revenue Code of 1986 merely because such contract was in effect before the date of the enactment of this Act.

Subtitle D—Organizational Modernization

SEC. 1301. 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 Commissioner of Internal Revenue—

''(A) the Commissioner or a Deputy Commissioner 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 Commissioner, the National Taxpayer Advocate may (not later than 90 days after such modification or rescission) appeal to the Commissioner, and the Commissioner 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 the reasons for any modification or rescission made or upheld by the Commissioner 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 of the'' 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.—Upon request of the National Taxpayer Advocate, the Secretary shall, to the extent practicable, 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 striking ''and'' at the end of subclause (XI), 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; and''.

(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 March 31, 2019.

SEC. 1302. MODERNIZATION OF INTERNAL REVENUE SERVICE ORGANIZATIONAL STRUCTURE.

(a) IN GENERAL.—Not later than September 30, 2020, the Secretary of the Treasury (or the Secretary's delegate) 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 Commissioner of Internal Revenue.

(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 plan described in subsection (a) is submitted to Congress.

Subtitle E—Other Provisions

SEC. 1401. RETURN PREPARATION PROGRAMS FOR APPLICABLE TAXPAYERS.

(a) IN GENERAL.—Chapter 77 is amended by inserting after section 7526 the following new section:

''SEC. 7526A. RETURN PREPARATION PROGRAMS FOR APPLICABLE TAXPAYERS.

''(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX ASSISTANCE MATCHING GRANT PROGRAM.—The Secretary shall establish a Community Volunteer Income Tax Assistance Matching Grant Program under which the Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of qualified return preparation programs assisting applicable taxpayers and members of underserved populations.

''(b) USE OF FUNDS.—

''(1) IN GENERAL.—Qualified return preparation programs may use grants received under this section for—

''(A) ordinary and necessary costs associated with program operation in accordance with cost principles under the applicable Office of Management and Budget circular, including—

''(i) wages or salaries of persons coordinating the activities of the program,

''(ii) developing training materials, conducting training, and performing quality reviews of the returns prepared under the program,

''(iii) equipment purchases, and

''(iv) vehicle-related expenses associated with remote or rural tax preparation services,

''(B) outreach and educational activities described in subsection (c)(2)(B), and

''(C) services related to financial education and capability, asset development, and the establishment of savings accounts in connection with tax return preparation.

''(2) REQUIREMENT OF MATCHING FUNDS.—A qualified return preparation program must provide matching funds on a dollar-for-dollar basis for all grants provided under this section. Matching funds may include—

''(A) the salary (including fringe benefits) of individuals performing services for the program,

''(B) the cost of equipment used in the program, and

''(C) other ordinary and necessary costs associated with the program.

Indirect expenses, including general overhead of any entity administering the program, shall not be counted as matching funds.

''(c) APPLICATION.—

''(1) IN GENERAL.—Each applicant for a grant under this section shall submit an application to the Secretary at such time, in

such manner, and containing such information as the Secretary may reasonably require.

''(2) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications which demonstrate—

''(A) assistance to applicable taxpayers, with emphasis on outreach to, and services for, such taxpayers,

''(B) taxpayer outreach and educational activities relating to eligibility and availability of income supports available through this title, including the earned income tax credit, and

''(C) specific outreach and focus on one or more underserved populations.

''(3) AMOUNTS TAKEN INTO ACCOUNT.—In determining matching grants under this section, the Secretary shall only take into account amounts provided by the qualified return preparation program for expenses described in subsection (b).

''(d) PROGRAM ADHERENCE.—

''(1) IN GENERAL.—The Secretary shall establish procedures for, and shall conduct not less frequently than once every 5 calendar years during which a qualified return preparation program is operating under a grant under this section, periodic site visits—

''(A) to ensure the program is carrying out the purposes of this section, and

''(B) to determine whether the program meets such program adherence standards as the Secretary shall by regulation or other guidance prescribe.

''(2) ADDITIONAL REQUIREMENTS FOR GRANT RECIPIENTS NOT MEETING PROGRAM ADHERENCE STANDARDS.—In the case of any qualified return preparation program which—

''(A) is awarded a grant under this section, and

''(B) is subsequently determined—

''(i) not to meet the program adherence standards described in paragraph (1)(B), or

''(ii) not to be otherwise carrying out the purposes of this section,

such program shall not be eligible for any additional grants under this section unless such program provides sufficient documentation of corrective measures established to address any such deficiencies determined.

''(e) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED RETURN PREPARATION PROGRAM.—The term 'qualified return preparation program' means any program—

''(A) which provides assistance to individuals, not less than 90 percent of whom are applicable taxpayers, in preparing and filing Federal income tax returns,

''(B) which is administered by a qualified entity,

''(C) in which all volunteers who assist in the preparation of Federal income tax returns meet the training requirements prescribed by the Secretary, and

''(D) which uses a quality review process which reviews 100 percent of all returns.

''(2) QUALIFIED ENTITY.—

''(A) IN GENERAL.—The term 'qualified entity' means any entity which—

''(i) is an eligible organization,

''(ii) is in compliance with Federal tax filing and payment requirements,

''(iii) is not debarred or suspended from Federal contracts, grants, or cooperative agreements, and

''(iv) agrees to provide documentation to substantiate any matching funds provided pursuant to the grant program under this section.

''(B) ELIGIBLE ORGANIZATION.—The term 'eligible organization' means—

''(i) an institution of higher education which is described in section 102 (other than subsection (a)(1)(C) thereof) of the Higher Education Act of 1965 (20 U.S.C. 1002), as in effect on the date of the enactment of this section, and which has not been disqualified from participating in a program under title IV of such Act,

''(ii) an organization described in section 501(c) and exempt from tax under section 501(a),

''(iii) a local government agency, including—

''(I) a county or municipal government agency, and

''(II) an Indian tribe, as defined in section 4(13) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(13)), including any tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), tribal subsidiary, subdivision, or other wholly owned tribal entity,

''(iv) a local, State, regional, or national coalition (with one lead organization which meets the eligibility requirements of clause (i), (ii), or (iii) acting as the applicant organization), or

''(v) in the case of applicable taxpayers and members of underserved populations with respect to which no organizations described in the preceding clauses are available—

''(I) a State government agency, or

''(II) an office providing Cooperative Extension services (as established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914).

''(3) APPLICABLE TAXPAYERS.—The term 'applicable taxpayer' means a taxpayer whose income for the taxable year does not exceed an amount equal to the completed phaseout amount under section 32(b) for a married couple filing a joint return with three or more qualifying children, as determined in a revenue procedure or other published guidance.

''(4) UNDERSERVED POPULATION.—The term 'underserved population' includes populations of persons with disabilities, persons with limited English proficiency, Native Americans, individuals living in rural areas, members of the Armed Forces and their spouses, and the elderly.

''(f) SPECIAL RULES AND LIMITATIONS.—

''(1) DURATION OF GRANTS.—Upon application of a qualified return preparation program, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

''(2) AGGREGATE LIMITATION.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than $30,000,000 per fiscal year (exclusive of costs of administering the program) to grants under this section.

''(g) PROMOTION OF PROGRAMS.—

''(1) IN GENERAL.—The Secretary shall promote tax preparation through qualified return preparation programs through the use of mass communications and other means.

''(2) PROVISION OF INFORMATION REGARDING QUALIFIED RETURN PREPARATION PROGRAMS.—The Secretary may provide taxpayers information regarding qualified return preparation programs receiving grants under this section.

''(3) REFERRALS TO LOW-INCOME TAXPAYER CLINICS.—Qualified return preparation programs receiving a grant under this section are encouraged, in appropriate cases, to—

''(A) advise taxpayers of the availability of, and eligibility requirements for receiving, advice and assistance from qualified low-income taxpayer clinics receiving funding under section 7526, and

''(B) provide information regarding the location of, and contact information for, such clinics.''.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by inserting after the item relating to section 7526 the following new item:

''Sec. 7526A. Return preparation programs for applicable taxpayers.''.

SEC. 1402. PROVISION OF INFORMATION REGARDING LOW-INCOME TAXPAYER CLINICS.

(a) IN GENERAL.—Section 7526(c) is amended by adding at the end the following new paragraph:

''(6) PROVISION OF INFORMATION REGARDING QUALIFIED LOW-INCOME TAXPAYER CLINICS.—Notwithstanding any other provision of law, officers and employees of the Department of the Treasury may—

''(A) advise taxpayers of the availability of, and eligibility requirements for receiving, advice and assistance from one or more specific qualified low-income taxpayer clinics receiving funding under this section, and

''(B) provide information regarding the location of, and contact information for, such clinics.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 1403. NOTICE FROM IRS REGARDING CLOSURE OF TAXPAYER ASSISTANCE CENTERS.

Not later than 90 days before the date that a proposed closure of a Taxpayer Assistance Center would take effect, the Secretary of the Treasury (or the Secretary's delegate) shall—

(1) make publicly available (including by non-electronic means) a notice which—

(A) identifies the Taxpayer Assistance Center proposed for closure and the date of such proposed closure; and

(B) identifies the relevant alternative sources of taxpayer assistance which may be utilized by taxpayers affected by such proposed closure; and

(2) submit to Congress a written report that includes—

(A) the information included in the notice described in paragraph (1);

(B) the reasons for such proposed closure; and

(C) such other information as the Secretary may determine appropriate.

SEC. 1404. RULES FOR SEIZURE AND SALE OF PERISHABLE GOODS RESTRICTED TO ONLY PERISHABLE GOODS.

(a) IN GENERAL.—Section 6336 is amended by striking ''or become greatly reduced in price or value by keeping, or that such property cannot be kept without great expense''.

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

SEC. 1405. WHISTLEBLOWER REFORMS.

(a) MODIFICATIONS TO DISCLOSURE RULES FOR WHISTLEBLOWERS.—

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

''(13) DISCLOSURE TO WHISTLEBLOWERS.—

''(A) IN GENERAL.—The Secretary may disclose, to any individual providing information relating to any purpose described in paragraph (1) or (2) of section 7623(a), return information related to the investigation of any taxpayer with respect to whom the individual has provided such information, but only to the extent that such disclosure is necessary in obtaining information, which is not otherwise reasonably available, with respect to the correct determination of tax liability for tax, or the amount to be collected with respect to the enforcement of any other provision of this title.

''(B) UPDATES ON WHISTLEBLOWER INVESTIGATIONS.—The Secretary shall disclose to an individual providing information relating to any purpose described in paragraph (1) or (2) of section 7623(a) the following:

''(i) Not later than 60 days after a case for which the individual has provided information has been referred for an audit or examination, a notice with respect to such referral.

''(ii) Not later than 60 days after a taxpayer with respect to whom the individual has provided information has made a payment of tax with respect to tax liability to which such information relates, a notice with respect to such payment.

''(iii) Subject to such requirements and conditions as are prescribed by the Secretary, upon a written request by such individual—

''(I) information on the status and stage of any investigation or action related to such information, and

''(II) in the case of a determination of the amount of any award under section 7623(b), the reasons for such determination.

Clause (iii) shall not apply to any information if the Secretary determines that disclosure of such information would seriously impair Federal tax administration. Information described in clauses (i), (ii), and (iii) may be disclosed to a designee of the individual providing such information in accordance with guidance provided by the Secretary.''.

(2) CONFORMING AMENDMENTS.—

(A) CONFIDENTIALITY OF INFORMATION.—Section 6103(a)(3) is amended by striking ''subsection (k)(10)'' and inserting ''paragraph (10) or (13) of subsection (k)''.

(B) PENALTY FOR UNAUTHORIZED DISCLOSURE.—Section 7213(a)(2) is amended by striking ''(k)(10)'' and inserting ''(k)(10) or (13)''.

(C) COORDINATION WITH AUTHORITY TO DISCLOSE FOR INVESTIGATIVE PURPOSES.—Section 6103(k)(6) is amended by adding at the end the following new sentence: ''This paragraph shall not apply to any disclosure to an individual providing information relating to any purpose described in paragraph (1) or (2) of section 7623(a) which is made under paragraph (13)(A).''.

(b) PROTECTION AGAINST RETALIATION.—Section 7623 is amended by adding at the end the following new subsection:

''(d) CIVIL ACTION TO PROTECT AGAINST RETALIATION CASES.—

''(1) ANTI-RETALIATION WHISTLEBLOWER PROTECTION FOR EMPLOYEES.—No employer, or any officer, employee, contractor, subcontractor, or agent of such employer, may discharge, demote, suspend, threaten, harass, or in any other manner discriminate against an employee in the terms and conditions of employment (including through an act in the ordinary course of such employee's duties) in reprisal for any lawful act done by the employee—

''(A) to provide information, cause information to be provided, or otherwise assist in an investigation regarding underpayment of tax or any conduct which the employee reasonably believes constitutes a violation of the internal revenue laws or any provision of Federal law relating to tax fraud, when the information or assistance is provided to the Internal Revenue Service, the Secretary of the Treasury, the Treasury Inspector General for Tax Administration, the Comptroller General of the United States, the Department of Justice, the United States Congress, a person with supervisory authority over the employee, or any other person working for the employer who has the authority to investigate, discover, or terminate misconduct, or

''(B) to testify, participate in, or otherwise assist in any administrative or judicial action taken by the Internal Revenue Service relating to an alleged underpayment of tax or any violation of the internal revenue laws or any provision of Federal law relating to tax fraud.

''(2) ENFORCEMENT ACTION.—

''(A) IN GENERAL.—A person who alleges discharge or other reprisal by any person in violation of paragraph (1) may seek relief under paragraph (3) by—

''(i) filing a complaint with the Secretary of Labor, or

''(ii) if the Secretary of Labor has not issued a final decision within 180 days of the filing of the complaint and there is no showing that such delay is due to the bad faith of the claimant, bringing an action at law or equity for de novo review in the appropriate district court of the United States, which shall have jurisdiction over such an action without regard to the amount in controversy.

''(B) PROCEDURE.—

''(i) IN GENERAL.—An action under subparagraph (A)(i) shall be governed under the rules and procedures set forth in section 42121(b) of title 49, United States Code.

''(ii) EXCEPTION.—Notification made under section 42121(b)(1) of title 49, United States Code, shall be made to the person named in the complaint and to the employer.

''(iii) BURDENS OF PROOF.—An action brought under subparagraph (A)(ii) shall be governed by the legal burdens of proof set forth in section 42121(b) of title 49, United States Code, except that in applying such section—

''(I) 'behavior described in paragraph (1)' shall be substituted for 'behavior described in paragraphs (1) through (4) of subsection (a)' each place it appears in paragraph (2)(B) thereof, and

''(II) 'a violation of paragraph (1)' shall be substituted for 'a violation of subsection (a)' each place it appears.

''(iv) STATUTE OF LIMITATIONS.—A complaint under subparagraph (A)(i) shall be filed not later than 180 days after the date on which the violation occurs.

''(v) JURY TRIAL.—A party to an action brought under subparagraph (A)(ii) shall be entitled to trial by jury.

''(3) REMEDIES.—

''(A) IN GENERAL.—An employee prevailing in any action under paragraph (2)(A) shall be entitled to all relief necessary to make the employee whole.

''(B) COMPENSATORY DAMAGES.—Relief for any action under subparagraph (A) shall include—

''(i) reinstatement with the same seniority status that the employee would have had, but for the reprisal,

''(ii) the sum of 200 percent of the amount of back pay and 100 percent of all lost benefits, with interest, and

''(iii) compensation for any special damages sustained as a result of the reprisal, including litigation costs, expert witness fees, and reasonable attorney fees.

''(4) RIGHTS RETAINED BY EMPLOYEE.—Nothing in this section shall be deemed to diminish the rights, privileges, or remedies of any employee under any Federal or State law, or under any collective bargaining agreement.

''(5) NONENFORCEABILITY OF CERTAIN PROVISIONS WAIVING RIGHTS AND REMEDIES OR REQUIRING ARBITRATION OF DISPUTES.—

''(A) WAIVER OF RIGHTS AND REMEDIES.—The rights and remedies provided for in this subsection may not be waived by any agreement, policy form, or condition of employment, including by a predispute arbitration agreement.

''(B) PREDISPUTE ARBITRATION AGREEMENTS.—No predispute arbitration agreement shall be valid or enforceable, if the agreement requires arbitration of a dispute arising under this subsection.''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply to disclosures made after the date of the enactment of this Act.

(2) CIVIL PROTECTION.—The amendment made by subsection (b) shall take effect on the date of the enactment of this Act.

SEC. 1406. CUSTOMER SERVICE INFORMATION.

The Secretary of the Treasury (or the Secretary's delegate) shall provide helpful information to taxpayers placed on hold during a telephone call to any Internal Revenue Service help line, including the following:

(1) Information about common tax scams.

(2) Information on where and how to report tax scams.

(3) Additional advice on how taxpayers can protect themselves from identity theft and tax scams.

SEC. 1407. MISDIRECTED TAX REFUND DEPOSITS.

Section 6402 is amended by adding at the end the following new subsection:

''(n) MISDIRECTED DIRECT DEPOSIT REFUND.—Not later than the date which is 6 months after the date of the enactment of the Taxpayer First Act, the Secretary shall prescribe regulations to establish procedures to allow for—

''(1) taxpayers to report instances in which a refund made by the Secretary by electronic funds transfer was not transferred to the account of the taxpayer;

''(2) coordination with financial institutions for the purpose of—

''(A) identifying the accounts to which transfers described in paragraph (1) were made; and

''(B) recovery of the amounts so transferred; and

''(3) the refund to be delivered to the correct account of the taxpayer.''.

TITLE II—21ST CENTURY IRS

Subtitle A—Cybersecurity and Identity Protection

SEC. 2001. 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. 2002. 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. 2003. 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), as amended by this Act, is amended by adding at the end the following new paragraph:

''(14) 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 2003(a) of the Taxpayer First 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), as amended by this Act, is amended by striking ''or (13)'' and inserting '', (13), or (14)''.

(B) Section 7213(a)(2), as amended by this Act, is amended by striking ''or (13)'' and inserting '', (13), or (14)''.

SEC. 2004. COMPLIANCE BY CONTRACTORS WITH CONFIDENTIALITY SAFEGUARDS.

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

''(9) DISCLOSURE TO CONTRACTORS AND OTHER AGENTS.—Notwithstanding any other provision of this section, no return or return information shall be disclosed to any contractor or other agent of a Federal, State, or local agency unless such agency, to the satisfaction of the Secretary—

''(A) has requirements in effect which require each such contractor or other agent which would have access to returns or return information to provide safeguards (within the meaning of paragraph (4)) to protect the confidentiality of such returns or return information,

''(B) agrees to conduct an on-site review every 3 years (or a mid-point review in the case of contracts or agreements of less than 3 years in duration) of each contractor or other agent to determine compliance with such requirements,

''(C) submits the findings of the most recent review conducted under subparagraph (B) to the Secretary as part of the report required by paragraph (4)(E), and

''(D) certifies to the Secretary for the most recent annual period that such contractor or other agent is in compliance with all such requirements.

The certification required by subparagraph (D) shall include the name and address of each contractor or other agent, a description of the contract or agreement with such contractor or other agent, and the duration of such contract or agreement. The requirements of this paragraph shall not apply to disclosures pursuant to subsection (n) for purposes of Federal tax administration.''.

(b) CONFORMING AMENDMENT.—Section 6103(p)(8)(B) is amended by inserting ''or paragraph (9)'' after ''subparagraph (A)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made after December 31, 2022.

SEC. 2005. IDENTITY PROTECTION PERSONAL IDENTIFICATION NUMBERS.

(a) IN GENERAL.—Subject to subsection (b), the Secretary of the Treasury or the Secretary's delegate (hereafter referred to in this section as the ''Secretary'') shall establish a program to issue, upon the request of any individual, a number which may be used in connection with such individual's social security number (or other identifying information with respect to such individual as determined by the Secretary) to assist the Secretary in verifying such individual's identity.

(b) REQUIREMENTS.—

(1) ANNUAL EXPANSION.—For each calendar year beginning after the date of the enactment of this Act, the Secretary shall provide numbers through the program described in subsection (a) to individuals residing in such States as the Secretary deems appropriate, provided that the total number of States served by such program during such year is greater than the total number of States served by such program during the preceding year.

(2) NATIONWIDE AVAILABILITY.—Not later than 5 years after the date of the enactment of this Act, the Secretary shall ensure that the program described in subsection (a) is made available to any individual residing in the United States.

SEC. 2006. SINGLE POINT OF CONTACT FOR TAX-RELATED IDENTITY THEFT VICTIMS.

(a) IN GENERAL.—The Secretary of the Treasury (or the Secretary's delegate) shall establish and implement procedures to ensure that any taxpayer whose return has been delayed or otherwise adversely affected due to tax-related identity theft has a single point of contact at the Internal Revenue Service throughout the processing of the taxpayer's case. The single point of contact shall track the taxpayer's case to completion and coordinate with other Internal Revenue Service employees to resolve case issues as quickly as possible.

(b) SINGLE POINT OF CONTACT.—

(1) IN GENERAL.—For purposes of subsection (a), the single point of contact shall consist of a team or subset of specially trained employees who—

(A) have the ability to work across functions to resolve the issues involved in the taxpayer's case; and

(B) shall be accountable for handling the case until its resolution.

(2) TEAM OR SUBSET.—The employees included within the team or subset described in paragraph (1) may change as required to meet the needs of the Internal Revenue Service, provided that procedures have been established to—

(A) ensure continuity of records and case history; and

(B) notify the taxpayer when appropriate.

SEC. 2007. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

(a) IN GENERAL.—Chapter 77 is amended by adding at the end the following new section:

''SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

''(a) IN GENERAL.—If the Secretary determines that there has been or may have been an unauthorized use of the identity of any individual, the Secretary shall, without jeopardizing an investigation relating to tax administration—

''(1) as soon as practicable—

''(A) notify the individual of such determination,

''(B) provide instructions on how to file a report with law enforcement regarding the unauthorized use,

''(C) identify any steps to be taken by the individual to permit law enforcement to access personal information of the individual during the investigation,

''(D) provide information regarding actions the individual may take in order to protect the individual from harm relating to the unauthorized use, and

''(E) offer identity protection measures to the individual, such as the use of an identity protection personal identification number, and

''(2) at the time the information described in paragraph (1) is provided (or, if not available at such time, as soon as practicable thereafter), issue additional notifications to such individual (or such individual's designee) regarding—

''(A) whether an investigation has been initiated in regards to such unauthorized use,

''(B) whether the investigation substantiated an unauthorized use of the identity of the individual, and

''(C) whether—

''(i) any action has been taken against a person relating to such unauthorized use, or

''(ii) any referral has been made for criminal prosecution of such person and, to the extent such information is available, whether such person has been criminally charged by indictment or information.

''(b) EMPLOYMENT-RELATED IDENTITY THEFT.—

''(1) IN GENERAL.—For purposes of this section, the unauthorized use of the identity of an individual includes the unauthorized use of the identity of the individual to obtain employment.

''(2) DETERMINATION OF EMPLOYMENT-RELATED IDENTITY THEFT.—For purposes of this section, in making a determination as to whether there has been or may have been an unauthorized use of the identity of an individual to obtain employment, the Secretary shall review any information—

''(A) obtained from a statement described in section 6051 or an information return relating to compensation for services rendered other than as an employee, or

''(B) provided to the Internal Revenue Service by the Social Security Administration regarding any statement described in section 6051,

which indicates that the social security account number provided on such statement or information return does not correspond with the name provided on such statement or information return or the name on the tax return reporting the income which is included on such statement or information return.''.

(b) ADDITIONAL MEASURES.—

(1) EXAMINATION OF BOTH PAPER AND ELECTRONIC STATEMENTS AND RETURNS.—The Secretary of the Treasury (or the Secretary's delegate) shall examine the statements, information returns, and tax returns described in section 7529(b)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) for any evidence of employment-related identity theft, regardless of whether such statements or returns are submitted electronically or on paper.

(2) IMPROVEMENT OF EFFECTIVE RETURN PROCESSING PROGRAM WITH SOCIAL SECURITY ADMINISTRATION.—Section 232 of the Social Security Act (42 U.S.C. 432) is amended by inserting after the third sentence the following: ''For purposes of carrying out the return processing program described in the preceding sentence, the Commissioner of Social Security shall request, not less than annually, such information described in section 7529(b)(2) of the Internal Revenue Code of 1986 as may be necessary to ensure the accuracy of the records maintained by the Commissioner of Social Security related to the amounts of wages paid to, and the amounts of self-employment income derived by, individuals.''.

(3) UNDERREPORTING OF INCOME.—The Secretary of the Treasury (or the Secretary's delegate) shall establish procedures to ensure that income reported in connection with the unauthorized use of a taxpayer's identity is not taken into account in determining any penalty for underreporting of income by the victim of identity theft.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7529. Notification of suspected identity theft.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations made after the date that is 6 months after the date of the enactment of this Act.

SEC. 2008. GUIDELINES FOR STOLEN IDENTITY REFUND FRAUD CASES.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary's delegate), in consultation with the National Taxpayer Advocate, shall develop and implement publicly available guidelines for management of cases involving stolen identity refund fraud in a manner that reduces the administrative burden on taxpayers who are victims of such fraud.

(b) STANDARDS AND PROCEDURES TO BE CONSIDERED.—The guidelines described in subsection (a) may include—

(1) standards for—

(A) the average length of time in which a case involving stolen identity refund fraud should be resolved;

(B) the maximum length of time, on average, a taxpayer who is a victim of stolen identity refund fraud and is entitled to a tax refund which has been stolen should have to wait to receive such refund; and

(C) the maximum number of offices and employees within the Internal Revenue Service with whom a taxpayer who is a victim of stolen identity refund fraud should be required to interact in order to resolve a case;

(2) standards for opening, assigning, reassigning, or closing a case involving stolen identity refund fraud; and

(3) procedures for implementing and accomplishing the standards described in paragraphs (1) and (2), and measures for evaluating such procedures and determining whether such standards have been successfully implemented.

SEC. 2009. INCREASED PENALTY FOR IMPROPER DISCLOSURE OR USE OF INFORMATION BY PREPARERS OF RETURNS.

(a) IN GENERAL.—Section 6713 is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d), respectively; and

(2) by inserting after subsection (a) the following new subsection:

''(b) ENHANCED PENALTY FOR IMPROPER USE OR DISCLOSURE RELATING TO IDENTITY THEFT.—

''(1) IN GENERAL.—In the case of a disclosure or use described in subsection (a) that is made in connection with a crime relating to the misappropriation of another person's taxpayer identity (as defined in section 6103(b)(6)), whether or not such crime involves any tax filing, subsection (a) shall be applied—

''(A) by substituting '$1,000' for '$250', and

''(B) by substituting '$50,000' for '$10,000'.

''(2) SEPARATE APPLICATION OF TOTAL PENALTY LIMITATION.—The limitation on the total amount of the penalty under subsection (a) shall be applied separately with respect to disclosures or uses to which this subsection applies and to which it does not apply.''.

(b) CRIMINAL PENALTY.—Section 7216(a) is amended by striking ''$1,000'' and inserting ''$1,000 ($100,000 in the case of a disclosure or use to which section 6713(b) applies)''.

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

Subtitle B—Development of Information Technology

SEC. 2101. MANAGEMENT OF INTERNAL REVENUE SERVICE INFORMATION TECHNOLOGY.

(a) DUTIES AND RESPONSIBILITIES OF INTERNAL REVENUE SERVICE CHIEF INFORMATION OFFICER.—Section 7803, as amended by section 1001, is amended by adding at the end the following new subsection:

''(f) INTERNAL REVENUE SERVICE CHIEF INFORMATION OFFICER.—

''(1) IN GENERAL.—There shall be in the Internal Revenue Service an Internal Revenue Service Chief Information Officer (hereafter referred to in this subsection as the 'IRS CIO') who shall be appointed by the Commissioner of Internal Revenue.

''(2) CENTRALIZED RESPONSIBILITY FOR INTERNAL REVENUE SERVICE INFORMATION TECHNOLOGY.—The Commissioner of Internal Revenue (and the Secretary) shall act through the IRS CIO with respect to all development, implementation, and maintenance of information technology for the Internal Revenue Service. Any reference in this subsection to the IRS CIO which directs the IRS CIO to take any action, or to assume any responsibility, shall be treated as a reference to the Commissioner of Internal Revenue acting through the IRS CIO.

''(3) GENERAL DUTIES AND RESPONSIBILITIES.—The IRS CIO shall—

''(A) be responsible for the development, implementation, and maintenance of information technology for the Internal Revenue Service,

''(B) ensure that the information technology of the Internal Revenue Service is secure and integrated,

''(C) maintain operational control of all information technology for the Internal Revenue Service,

''(D) be the principal advocate for the information technology needs of the Internal Revenue Service, and

''(E) consult with the Chief Procurement Officer of the Internal Revenue Service to ensure that the information technology acquired for the Internal Revenue Service is consistent with—

''(i) the goals and requirements specified in subparagraphs (A) through (D), and

''(ii) the strategic plan developed under paragraph (4).

''(4) STRATEGIC PLAN.—

''(A) IN GENERAL.—The IRS CIO shall develop and implement a multiyear strategic plan for the information technology needs of the Internal Revenue Service. Such plan shall—

''(i) include performance measurements of such technology and of the implementation of such plan,

''(ii) include a plan for an integrated enterprise architecture of the information technology of the Internal Revenue Service,

''(iii) include and take into account the resources needed to accomplish such plan,

''(iv) take into account planned major acquisitions of information technology by the Internal Revenue Service, and

''(v) align with the needs and strategic plan of the Internal Revenue Service.

''(B) PLAN UPDATES.—The IRS CIO shall, not less frequently than annually, review and update the strategic plan under subparagraph (A) (including the plan for an integrated enterprise architecture described in subparagraph (A)(ii)) to take into account the development of new information technology and the needs of the Internal Revenue Service.

''(5) SCOPE OF AUTHORITY.—

''(A) INFORMATION TECHNOLOGY.—For purposes of this subsection, the term 'information technology' has the meaning given such term by section 11101 of title 40, United States Code.

''(B) INTERNAL REVENUE SERVICE.—Any reference in this subsection to the Internal Revenue Service includes a reference to all components of the Internal Revenue Service, including—

''(i) the Office of the Taxpayer Advocate,

''(ii) the Criminal Investigation Division of the Internal Revenue Service, and

''(iii) except as otherwise provided by the Secretary with respect to information technology related to matters described in subsection (b)(3)(B), the Office of the Chief Counsel.''.

(b) INDEPENDENT VERIFICATION AND VALIDATION OF THE CUSTOMER ACCOUNT DATA ENGINE 2 AND ENTERPRISE CASE MANAGEMENT SYSTEM.—

(1) IN GENERAL.—The Commissioner of Internal Revenue shall enter into a contract with an independent reviewer to verify and validate the implementation plans (including the performance milestones and cost estimates included in such plans) developed for the Customer Account Data Engine 2 and the Enterprise Case Management System.

(2) DEADLINE FOR COMPLETION.—Such contract shall require that such verification and validation be completed not later than the date which is 1 year after the date of the enactment of this Act.

(3) APPLICATION TO PHASES OF CADE 2.—

(A) IN GENERAL.—Paragraphs (1) and (2) shall not apply to phase 1 of the Customer Account Data Engine 2 and shall apply separately to each other phase.

(B) DEADLINE FOR COMPLETING PLANS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Internal Revenue shall complete the development of plans for all phases of the Customer Account Data Engine 2.

(C) DEADLINE FOR COMPLETION OF VERIFICATION AND VALIDATION OF PLANS.—In the case of any phase after phase 2 of the Customer Account Data Engine 2, paragraph (2) shall be applied by substituting ''the date on which the plan for such phase was completed'' for ''the date of the enactment of this Act''.

(c) COORDINATION OF IRS CIO AND CHIEF PROCUREMENT OFFICER OF THE INTERNAL REVENUE SERVICE.—

(1) IN GENERAL.—The Chief Procurement Officer of the Internal Revenue Service shall—

(A) identify all significant IRS information technology acquisitions and provide written notification to the Internal Revenue Service Chief Information Officer (hereafter referred to in this subsection as the ''IRS CIO'') of each such acquisition in advance of such acquisition, and

(B) regularly consult with the IRS CIO regarding acquisitions of information technology for the Internal Revenue Service, including meeting with the IRS CIO regarding such acquisitions upon request.

(2) SIGNIFICANT IRS INFORMATION TECHNOLOGY ACQUISITIONS.—For purposes of this subsection, the term ''significant IRS information technology acquisitions'' means—

(A) any acquisition of information technology for the Internal Revenue Service in excess of $1,000,000; and

(B) such other acquisitions of information technology for the Internal Revenue Service (or categories of such acquisitions) as the IRS CIO, in consultation with the Chief Procurement Officer of the Internal Revenue Service, may identify.

(3) SCOPE.—Terms used in this subsection which are also used in section 7803(f) of the Internal Revenue Code of 1986 (as added by subsection (a)) shall have the same meaning as when used in such section.

SEC. 2102. INTERNET PLATFORM FOR FORM 1099 FILINGS.

(a) IN GENERAL.—Not later than January 1, 2023, the Secretary of the Treasury or the Secretary's delegate (hereafter referred to in this section as the ''Secretary'') shall make available an internet website or other electronic media, with a user interface and functionality similar to the Business Services Online Suite of Services provided by the Social Security Administration, that provides access to resources and guidance provided by the Internal Revenue Service and allows persons to—

(1) prepare and file Forms 1099;

(2) prepare Forms 1099 for distribution to recipients other than the Internal Revenue Service; and

(3) maintain a record of completed, filed, and distributed Forms 1099.

(b) ELECTRONIC SERVICES TREATED AS SUPPLEMENTAL; APPLICATION OF SECURITY STANDARDS.—The Secretary shall ensure that the services described in subsection (a)—

(1) are a supplement to, and not a replacement for, other services provided by the Internal Revenue Service to taxpayers; and

(2) comply with applicable security standards and guidelines.

SEC. 2103. STREAMLINED CRITICAL PAY AUTHORITY FOR INFORMATION TECHNOLOGY POSITIONS.

(a) IN GENERAL.—Subchapter A of chapter 80 is amended by adding at the end the following new section:

''SEC. 7812. STREAMLINED CRITICAL PAY AUTHORITY FOR INFORMATION TECHNOLOGY POSITIONS.

''In the case of any position which is critical to the functionality of the information technology operations of the Internal Revenue Service—

''(1) section 9503 of title 5, United States Code, shall be applied—

''(A) by substituting 'during the period beginning on the date of the enactment of section 7812 of the Internal Revenue Code of 1986, and ending on September 30, 2025' for 'Before September 30, 2013 in subsection (a)',

''(B) without regard to subparagraph (B) of subsection (a)(1), and

''(C) by substituting 'the date of the enactment of the Taxpayer First Act' for 'June 1, 1998' in subsection (a)(6),

''(2) section 9504 of such title 5 shall be applied by substituting 'During the period beginning on the date of the enactment of section 7812 of the Internal Revenue Code of 1986, and ending on September 30, 2025' for 'Before September 30, 2013' each place it appears in subsections (a) and (b), and

''(3) section 9505 of such title shall be applied—

''(A) by substituting 'During the period beginning on the date of the enactment of section 7812 of the Internal Revenue Code of 1986, and ending on September 30, 2025' for 'Before September 30, 2013' in subsection (a), and

''(B) by substituting 'the information technology operations' for 'significant functions' in subsection (a).''.

(b) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 80 is amended by adding at the end the following new item:

''Sec. 7812. Streamlined critical pay authority for information technology positions.''.

Subtitle C—Modernization of Consent-Based Income Verification System

SEC. 2201. DISCLOSURE OF TAXPAYER INFORMATION FOR THIRD-PARTY INCOME VERIFICATION.

(a) IN GENERAL.—Not later than 1 year after the close of the 2-year period described in subsection (d)(1), the Secretary of the Treasury or the Secretary's delegate (hereafter referred to in this section as the ''Secretary'') shall implement a program to ensure that any qualified disclosure—

(1) is fully automated and accomplished through the internet; and

(2) is accomplished in as close to real-time as is practicable.

(b) QUALIFIED DISCLOSURE.—For purposes of this section, the term ''qualified disclosure'' means a disclosure under section 6103(c) of the Internal Revenue Code of 1986 of returns or return information by the Secretary to a person seeking to verify the income or creditworthiness of a taxpayer who is a borrower in the process of a loan application.

(c) APPLICATION OF SECURITY STANDARDS.—The Secretary shall ensure that the program described in subsection (a) complies with applicable security standards and guidelines.

(d) USER FEE.—

(1) IN GENERAL.—During the 2-year period beginning on the first day of the 6th calendar month beginning after the date of the enactment of this Act, the Secretary shall assess and collect a fee for qualified disclosures (in addition to any other fee assessed and collected for such disclosures) at such rates as the Secretary determines are sufficient to cover the costs related to implementing the program described in subsection (a), including the costs of any necessary infrastructure or technology.

(2) DEPOSIT OF COLLECTIONS.—Amounts received from fees assessed and collected under paragraph (1) shall be deposited in, and credited to, an account solely for the purpose of carrying out the activities described in subsection (a). Such amounts shall be available to carry out such activities without need of further appropriation and without fiscal year limitation.

SEC. 2202. LIMIT REDISCLOSURES AND USES OF CONSENT-BASED DISCLOSURES OF TAX RETURN INFORMATION.

(a) IN GENERAL.—Section 6103(c) is amended by adding at the end the following: ''Persons designated by the taxpayer under this subsection to receive return information shall not use the information for any purpose other than the express purpose for which consent was granted and shall not disclose return information to any other person without the express permission of, or request by, the taxpayer.''.

(b) APPLICATION OF PENALTIES.—Section 6103(a)(3) is amended by inserting ''subsection (c),'' after ''return information under''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures made after the date which is 180 days after the date of the enactment of this Act.

Subtitle D—Expanded Use of Electronic Systems

SEC. 2301. ELECTRONIC FILING OF RETURNS.

(a) IN GENERAL.—Section 6011(e)(2)(A) is amended by striking ''250'' and inserting ''the applicable number of''.

(b) APPLICABLE NUMBER.—Section 6011(e) is amended by striking paragraph (5) and inserting the following new paragraphs:

''(5) APPLICABLE NUMBER.—

''(A) IN GENERAL.—For purposes of paragraph (2)(A), the applicable number shall be—

''(i) except as provided in subparagraph (B), in the case of calendar years before 2021, 250,

''(ii) in the case of calendar year 2021, 100, and

''(iii) in the case of calendar years after 2021, 10.

''(B) SPECIAL RULE FOR PARTNERSHIPS FOR 2018, 2019, 2020, AND 2021.—In the case of a partnership, for any calendar year before 2022, the applicable number shall be—

''(i) in the case of calendar year 2018, 200,

''(ii) in the case of calendar year 2019, 150,

''(iii) in the case of calendar year 2020, 100, and

''(iv) in the case of calendar year 2021, 50.

''(6) PARTNERSHIPS REQUIRED TO FILE ON MAGNETIC MEDIA.—Notwithstanding paragraph (2)(A), the Secretary shall require partnerships having more than 100 partners to file returns on magnetic media.''.

(c) RETURNS FILED BY A TAX RETURN PREPARER.—Section 6011(e)(3) is amended by adding at the end the following new subparagraph:

''(D) EXCEPTION FOR CERTAIN PREPARERS LOCATED IN AREAS WITHOUT INTERNET ACCESS.—The Secretary may waive the requirement of subparagraph (A) if the Secretary determines, on the basis of an application by the tax return preparer, that the preparer cannot meet such requirement by reason of being located in a geographic area which does not have access to internet service (other than dial-up or satellite service).''.

(d) CONFORMING AMENDMENT.—Section 6724(c) is amended by striking ''250 information returns (more than 100 information returns in the case of a partnership having more than 100 partners)'' and inserting ''the applicable number (determined under section 6011(e)(5) with respect to the calendar year to which such returns relate) of information returns''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 2302. UNIFORM STANDARDS FOR THE USE OF ELECTRONIC SIGNATURES FOR DISCLOSURE AUTHORIZATIONS TO, AND OTHER AUTHORIZATIONS OF, PRACTITIONERS.

Section 6061(b)(3) is amended to read as follows:

''(3) PUBLISHED GUIDANCE.—

''(A) IN GENERAL.—The Secretary shall publish guidance as appropriate to define and implement any waiver of the signature requirements or any method adopted under paragraph (1).

''(B) ELECTRONIC SIGNATURES FOR DISCLOSURE AUTHORIZATIONS TO, AND OTHER AUTHORIZATIONS OF, PRACTITIONERS.—Not later than 6 months after the date of the enactment of this subparagraph, the Secretary shall publish guidance to establish uniform standards and procedures for the acceptance of taxpayers' signatures appearing in electronic form with respect to any request for disclosure of a taxpayer's return or return information under section 6103(c) to a practitioner or any power of attorney granted by a taxpayer to a practitioner.

''(C) PRACTITIONER.—For purposes of subparagraph (B), the term 'practitioner' means any individual in good standing who is regulated under section 330 of title 31, United States Code.''.

SEC. 2303. PAYMENT OF TAXES BY DEBIT AND CREDIT CARDS.

Section 6311(d)(2) is amended by adding at the end the following: ''The preceding sentence shall not apply to the extent that the Secretary ensures that any such fee or other consideration is fully recouped by the Secretary in the form of fees paid to the Secretary by persons paying taxes imposed under subtitle A with credit, debit, or charge cards pursuant to such contract. Notwithstanding the preceding sentence, the Secretary shall seek to minimize the amount of any fee or other consideration that the Secretary pays under any such contract.''.

SEC. 2304. AUTHENTICATION OF USERS OF ELECTRONIC SERVICES ACCOUNTS.

Beginning 180 days after the date of the enactment of this Act, the Secretary of the Treasury (or the Secretary's delegate) shall verify the identity of any individual opening an e-Services account with the Internal Revenue Service before such individual is able to use the e-Services tools.

Subtitle E—Other Provisions

SEC. 2401. REPEAL OF PROVISION REGARDING CERTAIN TAX COMPLIANCE PROCEDURES AND REPORTS.

Section 2004 of the Internal Revenue Service Restructuring and Reform Act of 1998 (26 U.S.C. 6012 note) is repealed.

SEC. 2402. COMPREHENSIVE TRAINING STRATEGY.

Not later than 1 year after the date of the enactment of this Act, the Commissioner of Internal Revenue shall submit to Congress a written report providing a comprehensive training strategy for employees of the Internal Revenue Service, including—

(1) a plan to streamline current training processes, including an assessment of the utility of further consolidating internal training programs, technology, and funding;

(2) a plan to develop annual training regarding taxpayer rights, including the role of the Office of the Taxpayer Advocate, for employees that interface with taxpayers and the direct managers of such employees;

(3) a plan to improve technology-based training;

(4) proposals to—

(A) focus employee training on early, fair, and efficient resolution of taxpayer disputes for employees that interface with taxpayers and the direct managers of such employees; and

(B) ensure consistency of skill development and employee evaluation throughout the Internal Revenue Service; and

(5) a thorough assessment of the funding necessary to implement such strategy.

TITLE III—MISCELLANEOUS PROVISIONS

Subtitle A—Reform of Laws Governing Internal Revenue Service Employees

SEC. 3001. PROHIBITION ON REHIRING ANY EMPLOYEE OF THE INTERNAL REVENUE SERVICE WHO WAS INVOLUNTARILY SEPARATED FROM SERVICE FOR MISCONDUCT.

(a) IN GENERAL.—Section 7804 is amended by adding at the end the following new subsection:

''(d) PROHIBITION ON REHIRING EMPLOYEES INVOLUNTARILY SEPARATED.—The Commissioner may not hire any individual previously employed by the Commissioner who was removed for misconduct under this subchapter or chapter 43 or chapter 75 of title 5, United States Code, or whose employment was terminated under section 1203 of the Internal Revenue Service Restructuring and Reform Act of 1998 (26 U.S.C. 7804 note).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to the hiring of employees after the date of the enactment of this Act.

SEC. 3002. NOTIFICATION OF UNAUTHORIZED INSPECTION OR DISCLOSURE OF RETURNS AND RETURN INFORMATION.

(a) IN GENERAL.—Subsection (e) of section 7431 is amended by adding at the end the following new sentences: ''The Secretary shall also notify such taxpayer if the Internal Revenue Service or a Federal or State agency (upon notice to the Secretary by such Federal or State agency) proposes an administrative determination as to disciplinary or adverse action against an employee arising from the employee's unauthorized inspection or disclosure of the taxpayer's return or return information. The notice described in this subsection shall include the date of the unauthorized inspection or disclosure and the rights of the taxpayer under such administrative determination.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to determinations proposed after the date which is 180 days after the date of the enactment of this Act.

Subtitle B—Provisions Relating to Exempt Organizations

SEC. 3101. MANDATORY E-FILING BY EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Section 6033 is amended by redesignating subsection (n) as subsection (o) and by inserting after subsection (m) the following new subsection:

''(n) MANDATORY ELECTRONIC FILING.—Any organization required to file a return under this section shall file such return in electronic form.''.

(b) OTHER REPORTS AND RETURNS.—

(1) POLITICAL ORGANIZATIONS.—Section 527(j)(7) is amended by striking ''if the organization has'' and all that follows through ''such calendar year''.

(2) UNRELATED BUSINESS INCOME TAX RETURNS.—Section 6011 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

''(h) MANDATORY E-FILING OF UNRELATED BUSINESS INCOME TAX RETURN.—Any organization required to file an annual return under this section which relates to any tax imposed by section 511 shall file such return in electronic form.''.

(c) INSPECTION OF ELECTRONICALLY FILED ANNUAL RETURNS.—Section 6104(b) is amended by adding at the end the following: ''Any annual return required to be filed electronically under section 6033(n) shall be made available by the Secretary to the public as soon as practicable in a machine readable format.''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) TRANSITIONAL RELIEF.—

(A) SMALL ORGANIZATIONS.—

(i) IN GENERAL.—In the case of any small organizations, or any other organizations for which the Secretary of the Treasury or the Secretary's delegate (hereafter referred to in this paragraph as the ''Secretary'') determines the application of the amendments made by this section would cause undue burden without a delay, the Secretary may delay the application of such amendments, but such delay shall not apply to any taxable year beginning on or after the date that is 2 years after the enactment of this Act.

(ii) SMALL ORGANIZATION.—For purposes of clause (i), the term ''small organization'' means any organization—

(I) the gross receipts of which for the taxable year are less than $200,000; and

(II) the aggregate gross assets of which at the end of the taxable year are less than $500,000.

(B) ORGANIZATIONS FILING FORM 990–T.—In the case of any organization described in section 511(a)(2) of the Internal Revenue Code of 1986 which is subject to the tax imposed by section 511(a)(1) of such Code on its unrelated business taxable income, or any organization required to file a return under section 6033 of such Code and include information under subsection (e) thereof, the Secretary may delay the application of the amendments made by this section, but such delay shall not apply to any taxable year beginning on or after the date that is 2 years after the enactment of this Act.

SEC. 3102. NOTICE REQUIRED BEFORE REVOCATION OF TAX-EXEMPT STATUS FOR FAILURE TO FILE RETURN.

(a) IN GENERAL.—Section 6033(j)(1) is amended by striking ''If an organization'' and inserting the following:

''(A) NOTICE.—If an organization described in subsection (a)(1) or (i) fails to file the annual return or notice required under either subsection for 2 consecutive years, the Secretary shall notify the organization—

''(i) that the Internal Revenue Service has no record of such a return or notice from such organization for 2 consecutive years, and

''(ii) about the revocation that will occur under subparagraph (B) if the organization fails to file such a return or notice by the due date for the next such return or notice required to be filed.

The notification under the preceding sentence shall include information about how to

comply with the filing requirements under subsections (a)(1) and (i).

''(B) REVOCATION.—If an organization''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to failures to file returns or notices for 2 consecutive years if the return or notice for the second year is required to be filed after December 31, 2019.

Subtitle C—Revenue Provision

SEC. 3201. INCREASE IN PENALTY FOR FAILURE TO FILE.

(a) IN GENERAL.—The second sentence of subsection (a) of section 6651 is amended by striking ''$205'' and inserting ''$330''.

(b) INFLATION ADJUSTMENT.—Section 6651(j)(1) is amended—

(1) by striking ''2014'' and inserting ''2020'',

(2) by striking ''$205'' and inserting ''$330'', and

(3) by striking ''2013'' and inserting ''2019''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to returns required to be filed after December 31, 2019.

TITLE IV—BUDGETARY EFFECTS

SEC. 4001. DETERMINATION OF BUDGETARY EFFECTS.

The budgetary effects of this Act, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this Act, submitted for printing in the Congressional Record by the Chairman of the House Budget Committee, provided that such statement has been submitted prior to the vote on passage.

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

The Chair recognizes the gentleman from Georgia.

GENERAL LEAVE

Mr. LEWIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the measure.

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

There was no objection.

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

Mr. Speaker, I rise in support of H.R. 3151, the Taxpayer First Act. Mr. Speaker, this is not a Republican or a Democratic bill. It is an American one.

Let me begin by thanking Chairman NEAL, Ranking Member BRADY, the Oversight Subcommittee Ranking Member KELLY, and all the Members who joined us on this bill.

I would also like to recognize Chairman GRASSLEY and Ranking Member WYDEN and their staff who were our Senate partners on this necessary effort. In particular, I would like to thank our staff for their hard, great, and good work.

Mr. Speaker, I am proud of the process and the product. The record must be clear: Members of the House and Senate spent many years researching ideas to help taxpayers. The Oversight Subcommittee held 14 hearings and roundtables. We reached out to taxpayers and stakeholders. We have asked questions and listened to the responses. We asked Democratic and Republican Members to provide feedback. We even opened a public comment period on the draft bill. We came together. We studied, we listened, and we respected the taxpayer.

Mr. Speaker, this has not been easy. We worked hard to correct misinformation that this bill would tie the hands of the IRS and hurt taxpayers' options. During a time when there is so much tension and rush to judgment, our coalition remained thoughtful and fair.

After the House passed this legislation earlier this year, new information came out, and I am proud that we came together and requested an investigation and the IRS responded quickly and took action.

Mr. Speaker, despite every single challenge, we remained committed to bipartisanship and to the American taxpayer.

I want to share a few examples of the good this bill does. The Taxpayer First Act authorizes $30 million in matching grants for the Volunteer Income Tax Assistance program which helps low- and moderate-income taxpayers complete and file their taxes. This bill also protects certain low-income taxpayers from the private debt collection program. In addition, some of the most popular parts of the bill include new initiatives to protect and serve taxpayers who are victims of identity theft.

Mr. Speaker, the Taxpayer First Act serves as an example of a good and thoughtful policy that Congress can produce. We took our time. We studied, and we stayed the course. We refused to give up, and we refused to give in. Mr. Speaker, this bill should be an inspiration to us all.

Mr. Speaker, I urge all of my colleagues to support the Taxpayer First Act, and I reserve the balance of my time.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, June 10, 2019.

Hon. NITA M. LOWEY,
Chairwoman, Committee on Appropriations, Washington, DC.

DEAR CHAIRWOMAN LOWEY: Thank you for consulting with the Committee on Ways and Means on provisions of H.R. 3151, the Taxpayer First Act, for which the Committee on Appropriations has a jurisdictional interest. I appreciate your agreement to not pursue a sequential referral or assert any point of order so that the legislation may proceed expeditiously to the House floor.

The Committee on Ways and Means confirms our mutual understanding that your Committee does not waive any jurisdiction over the subject matter contained in this or similar legislation, and your Committee will be appropriately consulted and involved as the bill or similar legislation moves forward so that we may address any remaining issues within your Committee's jurisdiction.

I will ensure that this exchange of letters is included in the Congressional Record during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work with you on this measure and future legislation.

Sincerely,

RICHARD E. NEAL,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON APPROPRIATIONS,
Washington, DC, June 10, 2019.

Hon. RICHARD NEAL,
Chairman, Committee on Ways and Means, House of Representatives, Washington, DC.

DEAR CHAIRMAN NEAL: I am writing with respect to H.R. 3151, the ''Taxpayer First Act of 2019.'' As a result of your having consulted with us on provisions on which the Committee on Appropriations has a jurisdictional interest, I will not request a sequential referral on this measure, an opportunity to raise a point of order under clause 4 of rule XXI of the Rules of the House, or further amendment to the bill when it is considered on the House floor.

The Committee on Appropriations takes this action with the mutual understanding that we do not waive any jurisdiction over the subject matter contained in this or similar legislation, we do not agree to future suspension or waivers of the House rule restricting the carrying of appropriations in measures and amendments thereto, and the Committee will be appropriately consulted and involved as the bill or other legislation carrying appropriations moves forward so that we may address any issues within our jurisdiction and provisions giving rise to a point of order—regardless of whether a measure is similar to legislation passed by the House in a previous Congress, or represents the product of negotiation between parties or chambers.

The Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation, and request your support for such a request.

Finally, I would appreciate your response to this letter confirming this understanding, and would ask that a copy of our exchange of letters on this matter be included in the Congressional Record during floor consideration of H.R. 3151.

Sincerely,

NITA M. LOWEY,
Chairwoman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, June 10, 2019.

Hon. MAXINE WATERS,
Chairwoman, Committee on Financial Services, Washington, DC.

DEAR CHAIRWOMAN WATERS: Thank you for your letter regarding H.R. 3151, Taxpayer First Act. As you know, the bill was referred primarily to the Committee on Ways and Means, with an additional referral to the Committee on Financial Services.

I thank you for agreeing to waive consideration of provisions that fall within your Committee's Rule X jurisdiction. The Committee on Ways and Means confirms our mutual understanding that your Committee does not waive any jurisdiction over the subject matter contained in this or similar legislation, and your Committee will be appropriately consulted and involved as the bill or similar legislation moves forward so that we may address any remaining issues within your Committee's jurisdiction.

I will ensure that this exchange of letters is included in the CONGRESSIONAL RECORD during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to

work with you as this measure moves through the legislative process.

Sincerely,

RICHARD E. NEAL,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, June 7, 2019.

Hon. RICHARD E. NEAL,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR MR. CHAIRMAN: I am writing concerning H.R. 3151, the ''Taxpayers First Act of 2019.'' Because you have been working with the Committee on Financial Services concerning provisions in the bill that fall within our Rule X jurisdiction, I agree to forgo formal consideration of the bill so that it may proceed expeditiously to the House Floor.

The Committee on Financial Services takes this action to forego formal consideration of H.R. 3151 with our mutual understanding that, by foregoing formal consideration of H.R. 3151 at this time, we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that our Committee will be appropriately consulted and involved as this or similar legislation moves forward. Our Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation and request your support for any such request.

Finally, I would appreciate your response to this letter confirming this understanding, and I would ask that a copy of our exchange of letters on this matter be included in the Congressional Record during Floor consideration of H.R. 3151.

Sincerely,

MAXINE WATERS,
Chairwoman.

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

Mr. Speaker, this bill represents what this body can accomplish when we work together across the aisle. It is true that no one gets everything they want, but we put in the effort, we did the hard work, and we talked to each other, and we came together to find solutions on common ground.

I am honored to have cosponsored the Taxpayer First Act with my friend from Georgia, Oversight Subcommittee Chairman JOHN LEWIS. This is the fifth time this bill will pass the House with strong bipartisan support, and I am proud of the House leadership—Democrats and Republicans together—initiated first by Mr. LEWIS and Mr. Roskam of Illinois and Mr. LEWIS and Ms. Jenkins of Kansas, and now Mr. LEWIS and Mr. KELLY. This will be the fifth time this passes the House, which tells you the importance of this legislation, Mr. Speaker.

I want to especially thank Chairman LEWIS for his commitment to taxpayers and for working with us on behalf of the American people.

The IRS should be a customer service agency that focuses on treating taxpayers with respect and dignity. Over the last several years, the Ways and Means Committee held a number of bipartisan hearings to discover what is working and what isn't at the IRS. As we crafted this legislation together to redesign the IRS for the first time in two decades, we focused on improving the relationship between the taxpayer and the agency.

We all agree the IRS should prioritize taxpayers' rights and they should be a resource—not a threat—to Americans. This bill achieves these goals.

After passage of the Taxpayer First Act, Americans will interact with an IRS that carries out customer service more like our businesses, because this bill will improve the support Americans receive online, in person, and on the phone.

This bill takes a number of steps to move the IRS into the 21st century. First, the IRS will have to come up with a customer service plan to better serve taxpayers because no American should fear contacting the IRS for help.

We also together rein in the abuses. We are overhauling the IRS' enforcement tools so families and small businesses don't have property unfairly seized. The Constitution guarantees Americans the right to due process and protection from unreasonable searches and seizures. In hearings led by Chairman LEWIS and others, we have heard stories from across the country of the IRS abusing these rights. Under this bill, that stops.

Third, the Taxpayer First Act recasts the IRS as our tax administrator rather than simply an enforcement agency. We will better protect taxpayers from enforcement abuses by creating an independent appeals office. This will give taxpayers a fair and impartial review of disputes they have with the IRS. The bill also ensures taxpayers have the same access to information as the IRS, putting our taxpayers on a level playing field.

We are revamping the IRS' ancient technology and better positioning the agency to combat identity theft and cyber threats. IRS employees, as hard as they work, are currently using technology that is severely outdated. Some of it dates back to the 1960s. This bill requires accountability by the IRS for the billions of dollars in funding it is given for IT each year. That accountability extends to ensuring taxpayer information is protected and is safe from cybercriminals looking to steal through taxpayer refunds. This bill also strengthens the IRS' partnership with States and the private sector to combat these threats.

Finally, this bill requires the IRS to bring back to Congress the complete restructuring of the agency focused on these principles of taxpayer first customer service, reining in those abuses, and protecting our private taxpayer information, making sure there is a fair appeals process in these disputes with the IRS.

Taken together, these reforms will greatly benefit Americans each year during tax season and throughout the year.

Mr. Speaker, I urge support of H.R. 3151, and I reserve the balance of my time.

Mr. LEWIS. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. HILL).

Ms. HILL of California. Mr. Speaker, I rise in support of H.R. 3151, the Taxpayer First Act, which is a very exciting piece of legislation because who doesn't get excited about taxes?

However, in all seriousness, we should get excited when paying taxes or filing our taxes becomes easier and better for the American people.

I am so thrilled to be here today to offer my support, and I am beyond grateful that my concerns with the free file provision were heard and acted upon.

I am beyond grateful to Congressman LEWIS' leadership on this legislation which will save the government money, protect low-income individuals, and give the IRS resources to offer many additional much-needed services. I also want to thank the Congressman's staff and the Ways and Means Committee staff for working with my team—who also deserve a great deal of thanks—to make this happen. It is an incredible example of the collaboration that can happen to positively affect peoples' lives, and I cannot begin to express my gratitude that such a long-term, well-respected leader such as JOHN LEWIS took my concerns into consideration and involved me in the process, even though I am a lowly freshman.

The fact that we were able to get this provision resolved is showing how Congress is changing and showing how we are taking power away from corporations and special interests and back into the hands of regular people. I am proud to be part of that effort.

Mr. Speaker, I urge all of my colleagues to support this bill.

Mr. BRADY. Mr. Speaker, I yield myself the balance of my time.

In closing, this bipartisan bill puts an emphasis on the IRS' better serving Americans and makes sure that it is customer focused. It reins in the abuses, requires the IRS to better protect our privacy, creates an independent appeals process, makes sure that taxpayers are put on the same level playing field as the agency, and requires them to bring back a complete restructuring plan to Congress.

I am so appreciative of the work of our Democrat colleagues and Chairman LEWIS, especially, coming together again today to support these reforms to the IRS and showing our constituents that we put their interests ahead of Washington.

Again, Mr. Speaker, I strongly urge support of H.R. 3151, and I yield back the balance of my time.

Mr. LEWIS. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, the Taxpayer First Act is a bipartisan bill in both the House and in the Senate. This bill will improve the Internal Revenue Service and help taxpayers. This is a good and necessary bill.

Again, I would like to thank the ranking member, Mr. BRADY, and

thank Mr. KELLY in his absence, Chairman NEAL, and our staff for all of their hard and good work on this important bill.

Mr. Speaker, I urge all of my colleagues on both sides of the aisle to support the Taxpayer First Act, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise in strong support of H.R. 3151, the ''Taxpayer First Act of 2019.''

H.R. 3151 aims to amend the Internal Revenue Code of 1986 to modernize and improve the Internal Revenue Service, and for other provisions.

The bill would create an independent means for taxpayers to appeal actions of the IRS, limits the capacity of private debt collectors to target low-income citizens, allows taxpayers to request an identification protection PIN number to protect themselves from identity theft, and creates a single point of contact so that taxpayer conversations with IRS agents can be documented and tracked.

It is critical that we amend the Internal Revenue Code because we have a duty to our constituents to improve their contact with the Internal Revenue Service concerning appeals, identification protection, and financial inequity.

This legislation also codifies the popular Volunteer Income Tax Assistance Program and authorizes $30 million in matching grants for the program.

When enacted, H.R. 3151 will create a better framework for the Internal Revenue Service which will in turn ensure that American taxpayers are at the forefront of our agenda.

Mr. Speaker, I urge my colleagues to join me in supporting H.R. 3151 to amend the Internal Revenue Code of 1986 bringing it into the 21st century.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Georgia (Mr. LEWIS) that the House suspend the rules and pass the bill, H.R. 3151.

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

A motion to reconsider was laid on the table.

□ 1515

PERMISSION FOR COMMITTEE ON HOMELAND SECURITY TO FILE SUPPLEMENTAL REPORT ON H.R. 2621, HOMELAND SECURITY ASSESSMENT OF TERRORISTS USE OF GHOST GUNS ACT

Miss RICE of New York. Mr. Speaker, I ask unanimous consent that the Committee on Homeland Security be authorized to file a supplemental report on the bill, H.R. 2621.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

SUPPORTING RESEARCH AND DEVELOPMENT FOR FIRST RESPONDERS ACT

Miss RICE of New York. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 542) to amend the Homeland Security Act of 2002 to establish the National Urban Security Technology Laboratory, and for other purposes.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 542

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Supporting Research and Development for First Responders Act''.

SEC. 2. NATIONAL URBAN SECURITY TECHNOLOGY LABORATORY.

(a) IN GENERAL.—Title III of the Homeland Security Act of 2002 is amended by adding at the end the following new section:

''SEC. 321. NATIONAL URBAN SECURITY TECHNOLOGY LABORATORY.

''(a) IN GENERAL.—The Secretary, acting through the Under Secretary for Science and Technology, shall designate the laboratory described in subsection (b) as an additional laboratory pursuant to the authority under section 308(c)(2). Such laboratory shall be used to test and evaluate emerging technologies and conduct research and development to assist emergency response providers in preparing for, and protecting against, threats of terrorism.

''(b) LABORATORY DESCRIBED.—The laboratory described in this subsection is the laboratory—

''(1) known, as of the date of the enactment of this section, as the National Urban Security Technology Laboratory;

''(2) previously known as the Environmental Measurements Laboratory; and

''(3) transferred to the Department pursuant to section 303(1)(E).

''(c) LABORATORY ACTIVITIES.—The laboratory designated pursuant to subsection (a), shall—

''(1) conduct tests, evaluations, and assessments of current and emerging technologies, including, as appropriate, cybersecurity of such technologies that can connect to the internet, for emergency response providers;

''(2) conduct research and development on radiological and nuclear response and recovery;

''(3) act as a technical advisor to emergency response providers; and

''(4) carry out other such activities as the Secretary determines appropriate.''.

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) of such Act is amended by inserting after the item relating to section 320 the following new item:

''321. National Urban Security Technology Laboratory.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from New York (Miss RICE) and the gentleman from Texas (Mr. CRENSHAW) each will control 20 minutes.

The Chair recognizes the gentlewoman from New York.

GENERAL LEAVE

Miss RICE of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on this measure.

The SPEAKER pro tempore. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Miss RICE of New York. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 542, the Supporting Research and Development for First Responders Act.

Terrorism poses a serious threat to our country, especially to the New York City metropolitan area. Recently, a man was arrested in New York for plotting to use guns, grenades, and a suicide vest to attack police officers and innocent people in Times Square.

Given the complexity of the current terrorism threat environment, it is critical that we prioritize the research and development of first responder technologies.

That is why I introduced the Supporting Research and Development for First Responders Act. This bill would permanently authorize the New York City-based National Urban Security Technology Laboratory, commonly referred to as NUSTL.

H.R. 542 directly supports first responders in New York City and across the country by authorizing the testing and evaluation of new technologies and systems for counterterrorism work and emergency response.

NUSTL is constantly developing and testing new tools for our brave first responders to use in the event of a terrorist attack, industrial accident, or natural disaster and closely collaborates with law enforcement agencies like the FDNY, the NYPD, and the Nassau County Police Department in my district.

NUSTL organizes simulated scenarios with first responders to test new emergency systems, sponsors research for cutting-edge technology, and works with first responders in the field to evaluate and assist with new tools.

It is the only Federal lab in this country that is focused entirely on helping first responders carry out their mission, wherever it may be.

In each of the last two budgets, the Trump administration has proposed closing down NUSTL. Fortunately, Congress has rejected this shortsighted move, as it would make my community and so many others less safe and less prepared in the face of an emergency.

Looking ahead, in addition to enacting H.R. 542, Congress needs to prioritize funding for NUSTL so that it has the stability it needs to continue its critical work, not just for New York City but for urban areas in all 50 States.

I want to thank Congressman PETER KING for co-leading this legislation, and I thank the chair and ranking member for their support in committee.

Mr. Speaker, I urge my House colleagues to support this legislation, and I reserve the balance of my time.

COMMITTEE ON HOMELAND SECURITY,
HOUSE OF REPRESENTATIVES,
Washington, DC, June 10, 2019.

Hon. EDDIE BERNICE JOHNSON,
Chairwoman, Committee on Science, Space and Technology,
House of Representatives, Washington, DC.

DEAR CHAIRWOMAN JOHNSON: Thank you for your letter regarding H.R. 542, the ''Supporting Research and Development for First