

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. SMITH of Missouri. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

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

#### RECOVERY OF STOLEN CHECKS ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1155) to amend the Internal Revenue Code of 1986 to allow taxpayers to elect to receive certain replacement refunds electronically, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1155

*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 "Recovery of Stolen Checks Act".*

##### SEC. 2. ELECTION TO RECEIVE CERTAIN REPLACEMENT REFUNDS ELECTRONICALLY.

*(a) IN GENERAL.—Section 6402 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:*

*"(o) ELECTION TO RECEIVE CERTAIN REPLACEMENT REFUNDS BY DIRECT DEPOSIT.—Not later than the date which is 6 months after the date of the enactment of this subsection, the Secretary shall prescribe regulations to establish procedures to allow for taxpayers, which are otherwise eligible to receive an amount by paper check in replacement of a lost or stolen paper check which was previously sent by the Secretary as a refund of an overpayment of tax, to elect to receive such amount by direct deposit in lieu of receiving such replacement paper check."*

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

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH) and the gentlewoman from Alabama (Ms. SEWELL) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

##### GENERAL LEAVE

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and submit extraneous material on the bill under consideration.

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

There was no objection.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 1155, the Recovery of Stolen Checks Act.

With the April 15 tax filing deadline right around the corner, we are reminded of the need to make the IRS

more responsive to the American people. Unfortunately, the manner in which the IRS currently responds to stolen tax refund checks is truly insane.

Right now, if someone has their refund check stolen out of the mail, the IRS will replace that stolen check by sending another one through the mail. It should surprise no one to learn that quite often that replacement check is also stolen out of the mail.

There is no law keeping the IRS from sending a replacement check through a direct deposit to a bank. However, the IRS currently does not have procedures in place for a taxpayer to make such a request. This bill fixes that flaw.

I wish to commend my Ways and Means Committee colleagues, Representatives MALLIOTAKIS, KUSTOFF, and SEWELL, for their bipartisan leadership on this issue.

In Representative MALLIOTAKIS' district alone, they have seen \$3.8 million in IRS tax refund checks stolen. Taxpayers that are victims of this crime need to be made whole. They do not need to jump through more hoops or deal with the hassle of seeing their replacement refund checks stolen as well.

This legislation received unanimous approval in the Ways and Means Committee, and I encourage my colleagues to give it an equally strong bipartisan vote here in the House.

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

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

Mr. Speaker, I am very proud today to join my colleague, Representative MALLIOTAKIS, in cosponsoring and speaking in favor of the Recovery of Stolen Checks Act.

This bill requires the Treasury to make procedures that allow taxpayers to opt in to receiving a replacement refund by direct deposit after their paper checks have been lost or stolen in the mail.

Right now, the Treasury Department is only allowed to continue sending a paper check to the same address, even though the check was stolen or lost at that very address. It is Congress' responsibility to give Treasury the ability to modernize, become more efficient, and most importantly, deliver much-needed payments to people that are relying on them as quickly as possible. This is a commonsense, straightforward, and urgent reform.

Every year, millions of Americans eagerly await their tax refund, money that they have rightfully earned. Unfortunately, criminals have exploited weaknesses in our system, stealing and cashing checks that do not belong to them. This fraud not only robs individuals of their refunds but also costs taxpayers millions of dollars annually.

The Recovery of Stolen Checks Act strengthens the government's ability to track and recover stolen refund checks. It empowers the U.S. Treasury and financial industries and institu-

tions to act swiftly when fraud is detected, enabling that victim to get their payment much faster and that criminal to be held accountable.

With this bill, stolen checks can be flagged and traced more efficiently, victims will experience a quicker resolution and recovery process, banks and financial institutions will have clearer guidelines to prevent fraudulent transactions, and taxpayer dollars will be better protected, reducing the losses due to fraud.

Every dollar, Mr. Speaker, lost to fraud is a dollar taken from taxpayers. H.R. 1155 ensures that their hard-earned money is safeguarded and that criminals cannot exploit the system without consequences.

By closing loopholes and enhancing the recovery efforts, this legislation protects the integrity of our tax system and restores trust in financial security.

Mr. Speaker, I have had dozens of conversations with constituents who have spent months trying to receive a check from Treasury. In one instance, a constituent was sent two checks by the Treasury Department, neither delivered to her nor cashed by her before reaching out to my office for assistance. She just wanted the payment that she was owed.

Instead, the Treasury Department told her that they would only continue mailing a paper check to the same address where it had failed to get to her multiple times.

This policy is burdensome and it simply does not work. The caseworker on my staff continued to encounter cases just like this one, some taking over a year to resolve. This is way too long for the American public, and we need to do something about it. That is why this particular bill's resolution is common sense. I ask my colleagues to support it.

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

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as she may consume to the gentlewoman from New York (Ms. MALLIOTAKIS), the sponsor of this legislation.

Ms. MALLIOTAKIS. Mr. Speaker, I thank the chairman and the Ways and Means Committee staff for working with me on this legislation to combat mail theft and fraud.

A few months ago, I raised the issue of stolen checks to the Ways and Means Committee after my office had been slammed with constituent cases from taxpayers who have seen their hard-earned money stolen from them via check fraud.

I, alongside my colleagues, Congresswoman TERRI Sewell and Congressman DAVID KUSTOFF, introduced H.R. 1155, the Recovery of Stolen Checks Act, a bipartisan bill that would allow taxpayers whose tax refunds were stolen in the mail to receive a replacement payment via direct deposit. This legislation passed out of the Ways and Means Committee last month on a bipartisan basis, and it was unanimous.

In my district alone, we have seen 376 constituents who have had stolen IRS checks. The amount is staggering: \$5.4 million, and that is in my district alone.

Out of these 376 cases, 50 times checks were stolen twice, 7 times they were stolen 3 times, and in some cases, checks were even stolen 4 times in a row from the same constituent.

It has been reported that for IRS checks alone, approximately 40,000 were stolen nationally in 2024 and that is up from 100 checks in 2022.

The value stolen has been approximately \$1 billion, and this has become a real business for criminal organizations and enterprises and the fraudsters who are preying upon American citizens.

It is very unfortunate that we are seeing this hardship and stress placed on the intended recipients who have had to endure seeing their checks being stolen and then they have to wait months to sometimes see their replacement check also stolen.

This is not just happening with IRS tax refunds. It is also happening with Social Security and other benefits that our constituents rely on.

Approximately 10 percent of American taxpayers receive their tax refunds via paper checks, equating to about 10 million paper checks issued annually. While the majority of taxpayers opt for direct deposit, a significant number still receive refunds through traditional mail.

The IRS plays a critical role in ensuring taxpayers receive their hard-earned refund securely and efficiently. However, outdated IT infrastructure and delivery systems have left many vulnerable to fraud and stolen tax reimbursement checks.

Modernizing these systems is no longer optional. It is necessary to protect taxpayers, to enhance efficiency, and to reduce fraud. Obviously, there is still more work to be done. We still need the DOJ and our law enforcement partners to continue their investigations to find and prosecute these fraudsters. We are hearing of arrests and prosecutions on a regular basis, but we urge them to continue their good work.

This is an essential first step in addressing the increasing frequency of mail theft. I am encouraged by President Trump's executive order last week titled, "Modernizing Payments to and From America's Bank Account," which intends to phase out most paper checks by September of this year and modernize other government payment systems.

I thank President Trump and Secretary Bessent for their quick and decisive actions here to address this matter. It was within weeks of me speaking with the Secretary that they issued this executive order.

My legislation here today will ensure that in those cases where there are exceptions or accommodations, a direct deposit option will be available for the

intended recipient if those physical checks are stolen—that was something the IRS had given us such a hard time about—so taxpayers can receive their payments via direct deposit when they needed replacement.

I was also pleased to learn that the Bureau of Fiscal Service recently launched a pilot program to leverage existing technology and services offered by the U.S. Postal Service to track the transmittal of checks. I look forward to reviewing the results of this pilot program and working with the administration to modernize delivery systems across the Federal Government and ensure stronger safeguards against mail fraud in the future.

Mr. Speaker, again, I thank the chairman and my colleagues for their work on this bill. I look forward to seeing this bill pass unanimously on the floor today as well. Let's protect American taxpayers and make sure they are no longer victims of this type of check fraud.

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

Mr. SMITH of Missouri. Mr. Speaker, I yield such time as he may consume to the gentleman from Tennessee (Mr. KUSTOFF).

Mr. KUSTOFF. Mr. Speaker, I thank Chairman JASON SMITH for his leadership on this issue and this important piece of legislation, as well as the leadership of Representatives MALLIOTAKIS and SEWELL.

Mr. Speaker, over the last several years, the number of government checks stolen from the mail has increased dramatically.

If I could, I will share just a few statistics:

Between 2019 and 2022, there was an 87 percent increase in theft from mailboxes, according to the U.S. Postal Inspection Service.

According to the Financial Crimes Enforcement Network, FinCEN, reports of check fraud doubled from 2021 to 2022.

FinCEN's most recent report on check fraud found that between February and August of 2023, the bureau received over 15,000 individual reports about mail-theft-related check fraud.

Now, this has been a problem in my district in west Tennessee, and we have heard it has been a problem throughout the country. It is well past time that we get mail theft in the United States under control. That does start with giving Federal law enforcement officers the tools and the resources that they need to detect, investigate, and prosecute those behind these thefts.

We also have to ensure that victims of mail theft are taken care of and that they can access timely relief. That is why this bill, H.R. 1155, the Recovery of Stolen Checks Act, is so important.

Right now, it can take months and months for the IRS to issue a replacement for a stolen refund check. That is a long time. Due to the frequency of

mail theft that is happening right now across this great Nation, many taxpayers are having their replacement checks stolen, as well. This is truly not acceptable. These outdated IRS regulations are partially to blame.

The IRS' current process really makes no sense. It exacerbates check fraud. It creates more bureaucratic hurdles for U.S. taxpayers and ultimately makes it more difficult for Americans to access their hard-earned dollars. For many American families, a delay in getting their tax refund has the potential to cause serious financial strain.

This bill, the Recovery of Stolen Checks Act, will give victims of mail theft the option to receive their replacement payment through direct deposit instead of having to risk mailing another check.

This is a simple fix, Mr. Speaker, and it will help expedite relief to affected taxpayers, keep government checks out of the hands of criminals, and ultimately make our government more efficient.

Mr. Speaker, I urge all of our colleagues to support this bipartisan, commonsense piece of legislation which passed out of the Ways and Means Committee unanimously by a vote of 41-0.

Ms. SEWELL. Mr. Speaker, I yield myself the balance of my time for the purpose of closing.

Mr. Speaker, I am excited about the strong bipartisan support that H.R. 1155, the Recovery of Stolen Checks Act, has received. The bill will take a critical step toward combating financial fraud and protecting hardworking Americans from falling victim to check theft.

Each year, countless Americans are targeted by criminals who steal and fraudulently cash their checks, causing financial hardship and eroding the trust in our banking system. It happens not just in tax refunds, as my colleagues have indicated. Increasingly, Social Security and SNAP benefits are also being stolen by these criminals.

This bill strengthens law enforcement's ability to investigate and prosecute these crimes, ensuring that victims can recover the money and that the criminals are held accountable.

I urge my colleagues to support this legislation for at least these three reasons: First, that the bill protects consumers from financial harm. Check fraud is not just an inconvenience, it is financially devastating to many families. When a check is stolen and cashed by criminals, victims are often left in a difficult situation.

Secondly, this bill will also strengthen law enforcement's ability to combat check fraud. Criminals have become more sophisticated in their methods, and law enforcement needs stronger tools to fight back.

Lastly, a financial system that cannot protect its users from fraud is a system in jeopardy. If consumers and businesses lose faith in their ability to

securely conduct transactions, our economy suffers as a whole. H.R. 1155 ensures confidence in our banking system by ensuring that stolen checks can be recovered and that perpetrators face real consequences.

Mr. Speaker, check fraud is a growing problem, but today, we, in a bipartisan way, in the Ways and Means Committee are finally taking common-sense, decisive action. This bill passed unanimously out of our committee, and I look forward to it passing unanimously out of this House. It is, once again, an opportunity for Republicans and Democrats to put partisanship aside and work together for the American people.

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

Mr. SMITH of Missouri. Mr. Speaker, I yield myself the balance of my time to close.

This legislation will not only help taxpayers who have been victims of fraud, but it will also help combat fraud by eliminating opportunities for criminals to strike a second time.

Check fraud is a major challenge in this country, and it has grown exponentially over the past several years. In fact, in 2022, the Treasury Department's Financial Crimes Enforcement Network reported over 680,000 instances of check fraud, doubling the previous year's total. In such an environment, it is unacceptable that at this moment the IRS does not have processes and procedures in place for taxpayers to request a replacement check through direct deposit.

This bill is a simple solution to a serious and costly problem. I encourage all of my colleagues to support its passage, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MOORE of North Carolina). The question is on the motion offered by the gentleman from Missouri (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 1155, as amended.

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

A motion to reconsider was laid on the table.

#### DISASTER RELATED EXTENSION OF DEADLINES ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1491) to amend the Internal Revenue Code of 1986 to make the postponement of certain deadlines by reason of disasters applicable to the limitation on credit or refund, and to take postponements into account for purposes of sending collection notices, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 1491

*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 "Disaster Related Extension of Deadlines Act".*

#### SEC. 2. POSTPONEMENT OF CERTAIN DEADLINES BY REASON OF DISASTERS MADE APPLICABLE TO LIMITATION ON CREDIT OR REFUND.

(a) EXTENSION OF TIME FOR FILING RETURN.—  
(1) IN GENERAL.—Section 7508A of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

“(f) APPLICATION TO LIMITATION ON CREDIT OR REFUND.—For purposes of section 6511(b)(2)(A), any period disregarded under this section with respect to the time prescribed for filing any return of tax shall be treated as an extension of time for filing such return.”.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to claims filed after the date of the enactment of this Act.

(b) COLLECTION NOTICES.—

(1) IN GENERAL.—Section 6303(b) of such Code is amended—

(A) by striking “Except” and inserting the following:

“(1) IN GENERAL.—Except”, and

(B) by adding at the end the following new paragraph:

“(2) POSTPONEMENT BY REASON OF DISASTER, SIGNIFICANT FIRE, OR TERRORISTIC OR MILITARY ACTIONS.—For purposes of paragraph (1), the last date prescribed for payment of any tax shall be determined after taking into account any period disregarded under section 7508A.”.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to notices issued after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH) and the gentleman from California (Mr. PANETTA) each will control 20 minutes.

The Chair recognizes the gentleman from Missouri.

#### GENERAL LEAVE

Mr. SMITH of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

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

There was no objection.

Mr. SMITH of Missouri. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in support of H.R. 1491, the Disaster Related Extension of Deadlines Act, introduced by my Ways and Means colleagues Representatives Murphy and Panetta. Both of their home States, North Carolina and California respectively, are no strangers to the toll of natural disasters. This legislation corrects a discrepancy that can deny Americans affected by natural disaster their rightful tax refund.

Often, the IRS postpones the filing and payment deadline for taxpayers impacted by a natural disaster. Understandably, some taxpayers living in a disaster area choose to file their taxes and wait to pay the tax bill at a later date, freeing up resources to instead help replace the items that they have lost. For the average taxpayer who requests a filing extension, the deadline to claim a tax refund or credit for that tax year is also extended; not so for the

victims of natural disasters. They do not receive the same amount of additional time to claim a tax credit or refund as taxpayers who request filing extensions.

This situation is fundamentally unfair. It potentially denies Americans affected by a natural disaster their rightful tax refund that they would have otherwise received had they not been struck by a natural disaster and simply requested a filing extension.

This bill provides a straightforward solution that would fix this issue. Victims of natural disasters would have additional time to claim a refund in the same way that those who request a filing extension receive additional time.

I urge my colleagues to stand with taxpayers and provide this measure of tax relief to victims of natural disasters.

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

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

I rise in support of H.R. 1491, the Disaster Related Extension of Deadlines Act, authored and introduced by my friend, the gentleman from North Carolina (Mr. MURPHY).

I thank the chairman of the Ways and Means Committee for doing an excellent job in summarizing not just the issue but the solution with this bipartisan legislation, for it is this type of legislation that would ensure that tax deadlines remain aligned in disaster zones and that those who have survived natural disasters are not penalized by confusing collection notices or a shortened tax lookback period.

Now, currently, taxpayers have a 3-year lookback period after a filing deadline to claim a refund or missed credits. However, when the IRS extends filing deadlines for those affected by natural disasters, the deadline for the lookback period is not extended. This leads taxpayers, as you can imagine, Mr. Speaker, in disaster areas to lose out on money that they are owed because their lookback period is shorter than expected.

This bill would fix that, by aligning the lookback period with the postponed tax deadline for disaster zones. Additionally, this bill solves the problem of misaligned deadlines and confusing collection notices after a natural disaster.

Since current law requires the IRS to send a notice and demand for payment of tax within 60 days of processing a tax filing, individuals in disaster zones who file early but wait to pay often get confusing notices and demands for payment. These notices are sent long before payment is due and also cause panic and confusion during the difficult task of disaster recovery.

This bill, again, would fix that issue by requiring the IRS to take into account tax deadlines postponed because of disasters when issuing collection notices. It can take years to financially recover from a natural disaster, as many of us in this House have experienced with our constituents. Ensuring