

Mr. Speaker, I urge my colleagues to vote "yes" on H.R. 4930, and I yield back the balance of my time.

Mr. MOORE of Utah. Mr. Speaker, I yield myself the balance of my time to close.

Mr. Speaker, our intellectual property rights have secured over two centuries' worth of leadership and innovation. They form the foundation upon which opportunity for entrepreneurship is built and which makes the U.S. economy the envy of the world.

This legislation addresses the current weakness in our IP protections by ensuring those at CBP on the front lines of defending our national interests are better aligned with the businesses and workers that define our economic might.

Mr. Speaker, I encourage all of our colleagues to support this legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Utah (Mr. MOORE) that the House suspend the rules and pass the bill, H.R. 4930, 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.

#### BARCODE AUTOMATION FOR REVENUE COLLECTION TO ORGANIZE DISBURSEMENT AND ENHANCE EFFICIENCY ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6956) to require electronically prepared tax returns to include scannable code when submitted on paper, and to require the use of optical character recognition technology for paper documents received by the Internal Revenue Service, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6956

*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 "Barcode Automation for Revenue Collection to Organize Disbursement and Enhance Efficiency Act" or the "BARCODE Efficiency Act".

#### SEC. 2. SCANNING AND DIGITIZATION OF TAX RETURNS AND CORRESPONDENCE.

(a) RETURNS PREPARED ELECTRONICALLY AND SUBMITTED ON PAPER.—With respect to any Federal tax return which is prepared electronically, but is printed and filed on paper—

(1) such return shall be formatted in a manner that is compatible with the scanning technology referred to in paragraph (2), and

(2) subject to subsection (b)(1)(B), the Internal Revenue Service shall use scanning technology to convert the data included in such return to electronic format.

(b) OPTICAL CHARACTER RECOGNITION SOFTWARE.—With respect to—

(1) any Federal tax return which—

(A) is not prepared electronically and is printed and filed on paper, or

(B) is described in subsection (a)(1) but, for any reason, the data included in such return cannot be accurately converted into electronic format, or

(2) any correspondence which is received by the Internal Revenue Service in a paper form (with the exception of any such correspondence which has been received by the Internal Revenue Service in electronic format), the Internal Revenue Service shall use optical character recognition technology (or any functionally similar technology) to transcribe such return or correspondence.

(c) EXCEPTION.—

(1) IN GENERAL.—Subsection (a) or (b) shall not apply to the extent that the Secretary of the Treasury or the Secretary's delegate determines that the technology described in such subsection is slower or less reliable than—

(A) the process of manually transcribing returns or correspondence received in a paper form, or

(B) any other process that the Internal Revenue Service is using or would otherwise use.

(2) REPORT TO CONGRESS.—Any exception to the application of subsection (a) or (b) pursuant to paragraph (1) shall not take effect unless the Secretary provides a report to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate regarding the determination made under such paragraph within 30 days of such determination.

(d) EFFECTIVE DATE.—This section shall apply to—

(1) any individual income tax return (as defined in section 6011(e)(3)(C) of the Internal Revenue Code of 1986) received on or after January 1 of the first calendar year beginning more than 180 days after the date of enactment of this Act,

(2) any estate tax return (as described in section 6018 of such Code) or gift tax return (as described in section 6019 of such Code) received on or after January 1 of the first calendar year beginning more than 24 months after the date of enactment of this Act, and

(3) any other return or correspondence received on or after January 1 of the first calendar year beginning more than 18 months after the date of enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Missouri (Mr. SMITH) and the gentleman from Illinois (Mr. SCHNEIDER) 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 submit extraneous material on this bill under consideration.

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

There was no objection.

□ 1510

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

Mr. Speaker, I rise in support of H.R. 6956, the Barcode Automation for Revenue Collection to Organize Disbursement and Enhance Efficiency Act, also known as the BARCODE Efficiency Act, which is a bipartisan piece of legislation introduced by Representatives RUDY YAKYM and BRAD SCHNEIDER.

Many government agencies have had to be dragged kicking and screaming into the 21st century. The IRS is no exception. However, in the case of the BARCODE Efficiency Act, all we are really asking the IRS to do is to adopt technology that has been around for decades.

By requiring the IRS to deploy scanning technology for certain returns and correspondence, this bill will streamline the tax filing process for millions of Americans and go a long way to improving accuracy over the previous method of manually entering data from paper tax returns.

This most recent tax filing season, where Americans saw a historic 11 percent increase in refunds, with the average refund of over \$3,200, has just concluded. Had this legislation been in law already, Americans would have gotten back what they were owed even faster.

As a key leader on the Ways and Means Committee's oversight efforts, Representative YAKYM has been a strong advocate for improving customer service at the IRS and battling to save taxpayers time and money.

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

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

Mr. Speaker, I rise in support of H.R. 6956, the BARCODE Efficiency Act, which I am proud to introduce with my friend and colleague, Representative YAKYM from Indiana.

This bill would help expedite the digital transition at IRS, requiring the IRS to implement scanning technology to speed up paper return processing. In tax year 2023, the IRS reports that around 7 percent of tax returns were filed on paper. Now, 7 percent may sound like a small number, Mr. Speaker, until you realize it represents approximately 10 million paper returns to be opened and processed. That is more than the entire population of New York City, our most populous city. In fact, that is more than the population of all but 10 U.S. States.

This bill will help expedite the process of these 10 million returns by directing the IRS to adopt barcode scanning and optical character recognition, or OCR, technology.

For those wondering why this bill is necessary, you only need to learn about the current intake process for paper returns in the IRS. Millions of Americans still use paper returns, including both returns prepared electronically but printed and filed on paper and any handwritten returns and paper correspondence.

Currently, when a paper return arrives at the IRS, an employee manually transcribes the data into IRS systems line by line by line by line. This process is not only time-consuming, it is costly and often inaccurate. Data entry errors from manual transcription are common and cost the American taxpayers money.

Return processing delays translates directly into refund delays, needlessly

causing financial hardship for taxpayers with limited savings or fixed incomes.

Data transcription errors can lead to prolonged disputes, and the issues compound from there. A data entry error can cause math error notices requiring taxpayers to respond to the IRS if they disagree with the adjustments made. Errors also cause taxpayers to wait even longer for resolution, requiring more documentation from the taxpayer, more calls, and more correspondence to the IRS as delays continue to build. These extra steps all add to the backlog at the IRS costing all taxpayers more money and eroding trust in the overall tax system.

The good news is that we have a solution. The BARCODE Efficiency Act will require the IRS to implement scanning technology and dramatically reduce the number of paper tax returns that require manual data entry, thereby accelerating processing and improving taxpayer service.

IRS' problems with digitization and processing paper returns have long been an area of focus for the National Taxpayer Advocate, which listed the IRS' challenges in processing and digitization as the first and second most serious problems at the IRS in last year's annual report to Congress.

I, again, extend my appreciation to my friend, Representative YAKYM, for his partnership working to address this problem with commonsense solutions. I thank Chairman SMITH and Ranking Member NEAL for their support of this bipartisan legislation.

I also extend my thanks to the Taxpayer Advocate Service for their recommendation that led to the creation of this bill and for their critical, ongoing work to reduce taxpayer burden and improve the IRS' performance.

I am proud that this bill has the support of both the National Taxpayers Union and the American Coalition for Taxpayer Rights, the national trade association made up of retail tax preparation and tax software companies.

Mr. Speaker, I urge my colleagues to support this bill to help the IRS operate more efficiently and better serve the American taxpayer, and 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 Indiana (Mr. YAKYM), who is the co-lead of this legislation and who is a critical member of the Ways and Means Committee fighting for oversight and keeping his eye on the IRS.

Mr. YAKYM. Mr. Speaker, I rise in strong support of H.R. 6956, the BARCODE Efficiency Act. I am proud to co-lead this act with my friend from Illinois (Mr. SCHNEIDER).

This is a simple but powerful bill that will make tax return processing faster, more accurate, and more efficient. E-filing taxes is becoming even more common. In 2009, two-thirds of taxpayers e-filed their returns. By 2015, it was up to 85 percent. Last year, 94

percent of taxpayers e-filed their returns. That remaining 6 percent still accounts for 10 million tax returns.

There are good reasons to file a paper return. I actually found myself in such a position last year. After I electronically filed my taxes, as most taxpayers do, the IRS continued to kick back my return, trying to convince me that I owed the IRS less money than I actually did.

We reran the numbers time and time again, but we still came up with the same results. We had a few choices at this point. We could either file the return, as the IRS suggested, and risk later on owing a lot of money in penalties and interest and things like that, or we could call them up and get into an argument with somebody at the IRS, or we could just simply print it off and file the return. That is exactly what we chose to do.

The problem is once we file that return, and my return this last year was 202 pages, there is someone at the IRS who actually manually enters in every single digit on all 202 pages. Just imagine the problems that could create, Mr. Speaker. If someone transposes a number, then all of a sudden, you have an inaccurate return and the IRS can later come after you for an audit. Or, Mr. Speaker, you may have substantial delays in receiving your refund because of the amount of time it takes to manually key in all that data. It is just simply a waste of time and a waste of resources.

There are better ways of handling that, and, frankly, I think it is time for the IRS to come into the 21st century. That is why my colleague, Mr. SCHNEIDER, and I have introduced the bipartisan BARCODE Efficiency Act. This would require that the IRS increase its usage of scanning technology, particularly for paper or handwritten returns. No more manual entry would be needed or required. This will certainly complement efforts already underway by the Trump administration to phase out the use of paper and to adopt scanning technology. Scanning technology has been recommended by the taxpayer advocate as well as the GAO, and it has been used by State tax agencies for years.

Paper returns will still be necessary at times, but we can do better, Mr. Speaker, because there is proven commercially available technology that can end the hand entry of tax returns. It will increase the speed, the efficiency, and the accuracy of processing. It will get refunds out the door quicker so Hoosiers, whom I serve, can get their money back faster.

Again, quite simply, it is time for the IRS to come into the 21st century.

Mr. Speaker, I thank my colleague across the aisle Mr. SCHNEIDER for his great work in getting this bill introduced. I would also like to thank Chairman SMITH and Chairman SCHWEIKERT for their partnership as well as Senators YOUNG and WARNOCK.

Mr. Speaker, I urge my colleagues to support this bipartisan commonsense bill.

□ 1520

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

I am proud that we are here today to advance this seemingly modest, bipartisan bill that will have an outsized impact to improve service at the IRS.

I have long championed investing in modernization at the IRS to improve taxpayer service and make government more efficient. The archaic, manual transcription process that IRS currently uses to process paper returns results in significant delays that can last months or even years and cause severe hardship.

It is long past time that the IRS implement scanning technology to improve the speed and accuracy of processing these returns. Implementing a modernization process is a commonsense change with bipartisan support that will reduce refund delays, all the while lowering administrative costs.

No matter how Americans file their taxes—digitally or by paper—they should be able to rely on timely resolution and quality service from our IRS.

I urge my colleagues to support this bill, and I yield back the balance of my time.

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

Many Americans have had to endure frustration and anxiety at the hands of the IRS bureaucracy when it comes to filing or waiting on their tax returns to be processed. Anything we can do to make this process more efficient and user-friendly for the American taxpayer is well worth our time.

If we are reforming our tax code to provide more relief to working families, we should be modernizing our tax agency to get that relief to them as soon as possible.

I encourage my colleagues to support this legislation, and I yield back the balance of my time.

The SPEAKER pro tempore. 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. 6956, 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.

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#### TAXPAYER EXPERIENCE IMPROVEMENT ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 7971) to provide for modernization and technological improvements of services provided by the Internal Revenue Service, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows: