

Against Fraud, the National Taxpayers Union, and other organizations who have spoken out in support of this bill. A strong whistleblower program is essential to a credible tax system, one that rewards honesty, deters misconduct, and holds bad actors accountable.

Mr. Speaker, I urge my colleagues to support the bill.

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

Mr. Speaker, I thank Chairman SMITH, Mr. KELLY, and Ranking Member NEAL for the good work that was done. I concur with Mr. KELLY that staff on both sides have done, as always, a fantastic job.

Mr. Speaker, this bill comes down to fairness and enforcement. When people cheat the tax system and get away with it, honest taxpayers are the ones who pay the price. If we expect whistleblowers to help close the gap, we need to protect them, treat them fairly, and ensure that the system works.

This is a practical, bipartisan step to strengthening enforcement and restoring confidence in the system.

Mr. Speaker, 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.

Mr. Speaker, whistleblowers play a critical role in government oversight, whether it be uncovering bad actors within government or, in the case of the IRS Whistleblower Program, alerting the IRS to those in the private sector who are defrauding American taxpayers.

This Congress, the Ways and Means Committee and this administration have made combating fraud a key priority, and I welcome this opportunity to strengthen and impose a key tool in that effort.

Mr. Speaker, 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. 7959, as amended.

The question was taken.

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

#### TAXPAYER NOTIFICATION AND PRIVACY ACT

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6495) to amend the Internal Revenue Code of 1986 to provide for specific taxpayer notice when informa-

tion is sought from third parties, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 6495

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

#### SECTION 1. SHORT TITLE.

*This Act may be cited as the "Taxpayer Notification and Privacy Act".*

#### SEC. 2. SPECIFICITY OF THIRD-PARTY CONTACT NOTICES.

*(a) IN GENERAL.—Paragraph (1) of section 7602(c) of the Internal Revenue Code of 1986 is amended—*

*(1) by striking "and" at the end of subparagraph (A),*

*(2) by redesignating subparagraph (B) as subparagraph (C),*

*(3) by inserting after subparagraph (A) the following new subparagraph:*

*"(B) in any case in which the information sought to be obtained from such other persons is related to determining tax liability, has not been previously requested from the taxpayer, and could reasonably be provided by the taxpayer, identifies each specific item of information intended to be sought from such persons, and", and*

*(4) by amending subparagraph (C), as redesignated by paragraph (2), to read as follows:*

*"(C) except as otherwise provided by the Secretary, provides the taxpayer with reasonable opportunity and a period of not less than 45 days (or more, if the taxpayer requests additional time and shows reasonable cause) to respond before contact is made with such other persons."*

*(b) EXCEPTION.—Section 7602(c)(3) of the Internal Revenue Code of 1986 is amended—*

*(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and by moving such clauses 2 ems to the right,*

*(2) by striking "EXCEPTIONS.—This subsection" and inserting "EXCEPTIONS.—"*

*"(A) IN GENERAL.—This subsection", and*

*(3) by adding at the end the following new subparagraph:*

*"(B) EXCEPTION FOR INFORMATION SPECIFICITY.—Subparagraph (B) of paragraph (1) shall not apply to information sought from a person other than the taxpayer if the Secretary determines that such information is necessary."*

*(c) EFFECTIVE DATE.—The amendments made by this section shall apply to notices provided under section 7602(c) of the Internal Revenue Code of 1986 after the date that is 12 months 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 in support of H.R. 6495, the Taxpayer Notification and Privacy Act, bipartisan legislation in-

troduced by Representatives GREG STEUBE and JIMMY PANETTA.

When the IRS seeks information about a taxpayer, the agency should not be able to go behind their back without their knowledge. Yet, right now, the IRS can do just that.

Currently, the IRS is not required to notify a taxpayer who is under review or investigation about what information the agency is seeking; who it may have contacted; or, for that matter, give the taxpayer the opportunity to provide the information themselves. This puts the individual taxpayer in a situation where their privacy, their livelihood, or their reputation could all be unduly harmed.

That is unacceptable. Thanks to Representative STEUBE—a tireless advocate for the American taxpayer—who has been focused on holding a powerful agency like the IRS accountable, taxpayers will be better protected.

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

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

Mr. Speaker, I thank the chairman and Representative GREG STEUBE for their work together with me on the Taxpayer Notification and Privacy Act.

It is commonsense, bipartisan legislation, passed unanimously out of the Ways and Means Committee, that would ensure that the IRS respects the privacy and the dignity of every taxpayer when collecting needed information.

As you heard from the chairman, under current law, the IRS must notify taxpayers before reaching out to third parties, like banks, employers, or even neighbors, to gather information. Yet, these notices are often vague. They fail to specify exactly what they want. At times, they don't even give taxpayers any opportunity to defend themselves or for the taxpayers to provide the information themselves.

The National Taxpayer Advocate Service has warned that the current approach falls short. It leaves honest Americans blindsided, and it can put people's reputations at risk in close-knit communities, where a whisper about IRS investigations can chill businesses and damage livelihoods.

The Taxpayer Notification and Privacy Act changes that. It would implement a National Taxpayer Advocate's recommendation to mandate tailored notices in which the IRS clearly—clearly states what information it needs and from exactly whom.

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It then grants the taxpayer a full 45 days to supply that information. This empowers families. This empowers businesses to resolve issues privately with the IRS, protecting their reputation and relationships with local banks and other vendors.

This bill also includes certain exceptions for circumstances where the information is determined to be necessary or when the information is

sought specifically to collect tax liability.

This strikes the balance we want in legislation creation between allowing taxpayers to resolve issues privately and ensuring that these notices cannot be used to avoid taxes.

Ultimately, taxpayers who have followed the law should not have to fear the IRS soliciting sensitive data behind their backs.

Mr. Speaker, I urge my colleagues to vote “yes,” 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 Florida (Mr. STEUBE), the sponsor of this legislation.

Mr. STEUBE. Mr. Speaker, I rise today in support of H.R. 6495, the Taxpayer Notification and Privacy Act.

At its core, this commonsense legislation is a simple due process idea: Before the IRS goes to your bank, your employer, your vendor, or another third party for information about you, when you can reasonably provide that information yourself, you should be told what they are looking for and given a fair chance to respond.

Under current law, taxpayers can receive a general third-party contact notice, but too often those notices aren't specific enough to let a person meaningfully respond. When the IRS reaches out to third parties, it can create real-world consequences: reputational harm, confusion, or stress for families and small businesses, especially when the taxpayer could have simply produced the records directly.

Mr. Speaker, this legislation is about building a healthier relationship between taxpayers and their government. Our citizens deserve a Federal Government that respects privacy and due process while still ensuring the IRS can do its job.

This bill does not stop the IRS from obtaining information it truly needs. It simply ensures taxpayers receive meaningful notice and a fair opportunity to provide the information themselves when appropriate.

For law-abiding Americans, compliance is already complicated enough. The least we can do is ensure that when the IRS intends to go outside the taxpayer to gather information the taxpayer can provide, the taxpayer gets clarity—what exactly is being sought—and a fair chance to respond.

This is a bipartisan effort, and I am honored to work with Congressman PANETTA on this legislation because protecting taxpayers and improving procedural fairness should not be partisan. I also thank Senator BARRASSO of Wyoming for being the leader on this issue in the Senate, and I hope this bill can receive quick consideration in the Senate and sent to the President's desk.

I thank Chairman SMITH for his leadership in creating a more efficient, more transparent tax administration that works better for all taxpayers.

Mr. Speaker, I urge my colleagues to support the Taxpayer Notification and Privacy Act.

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

Just briefly, again, I thank Representative STEUBE and Chairman SMITH for their leadership on this legislation, and I urge the House to pass this commonsense legislation.

The Taxpayer Notification and Privacy Act will ensure that taxpayers are treated with transparency, with dignity, and with fairness that we all deserve.

By giving Americans a clear chance to provide information to the IRS first, we can protect their privacy, their reputations, and their relationships. This will reduce unnecessary third-party probes, saving resources and protecting taxpayers. This strengthens trust between our constituents and the government while ensuring that taxes are properly collected.

Mr. Speaker, that is why I urge a “yes” vote, and I yield back the balance of my time.

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

Among the supporters of this bill is the National Taxpayer Advocate, the independent organization tasked with helping taxpayers solve problems with the IRS. Their recommendations align with the changes this legislation would enact to strengthen taxpayer rights.

It is not only about protecting a right to privacy but also the principle of fairness that all Americans should be afforded under the law.

Mr. Speaker, 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. 6495, 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.

**DOUG LAMALFA FEDERAL DISASTER TAX RELIEF CERTAINTY ACT**

Mr. SMITH of Missouri. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5366) to amend the Internal Revenue Code of 1986 to codify and extend the rules for personal casualty losses arising from major disasters and the rules for the exclusion from gross income of compensation for losses or damages resulting from certain wildfires, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5366

*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 “Doug LaMalfa Federal Disaster Tax Relief Certainty Act”.*

**SEC. 2. CODIFICATION AND EXTENSION OF RULES FOR CASUALTY LOSSES ARISING FROM MAJOR DISASTERS.**

(a) *IN GENERAL.*—Section 165(h) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(6) *SPECIAL RULE FOR QUALIFIED NET DISASTER LOSSES.*—

“(A) *IN GENERAL.*—If an individual has a qualified net disaster loss for any taxable year, the amount determined under paragraph (2)(A)(ii) shall be the sum of—

“(i) such qualified net disaster loss, and

“(ii) so much of the excess referred to in the matter preceding clause (i) of paragraph (2)(A) (reduced by the amount in clause (i) of this subparagraph) as exceeds 10 percent of the adjusted gross income of the individual.

“(B) *QUALIFIED NET DISASTER LOSS.*—For purposes of subparagraph (A), the term ‘qualified net disaster loss’ means the excess (if any) of—

“(i) qualified disaster-related personal casualty losses, over

“(ii) personal casualty gains reduced by the portion of such gains taken into account under paragraph (5)(B)(i).

“(C) *QUALIFIED DISASTER-RELATED PERSONAL CASUALTY LOSSES.*—For purposes of this paragraph—

“(i) *IN GENERAL.*—The term ‘qualified disaster-related personal casualty losses’ means losses described in subsection (c)(3) (determined after application of paragraph (1)) which arise in a qualified disaster area on or after the first day of the incident period of the qualified disaster to which such area relates, and which are attributable to such disaster.

“(ii) *QUALIFIED DISASTER AREA.*—The term ‘qualified disaster area’ means any area with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act if the incident period of the disaster with respect to which such declaration is made begins on or after December 28, 2019, and before January 1, 2027.

“(iii) *QUALIFIED DISASTER.*—The term ‘qualified disaster’ means, with respect to any qualified disaster area, the disaster by reason of which a major disaster was declared with respect to such area.

“(iv) *INCIDENT PERIOD.*—The term ‘incident period’ means, with respect to any qualified disaster, the period specified by the Federal Emergency Management Agency as the period during which such disaster occurred.”.

(b) *DOLLAR LIMITATION.*—Section 165(h)(1) of such Code is amended by striking “\$500 (\$100 for taxable years beginning after December 31, 2009)” and inserting “\$100 (\$500 in the case of any qualified disaster-related personal casualty losses (as defined in paragraph (6)(C))”.

(c) *DEDUCTION ALLOWED TO INDIVIDUALS WHO DO NOT ELECT TO ITEMIZE DEDUCTIONS.*—Section 63(b) of such Code is amended—

(1) by striking “and” at the end of paragraph (6) and inserting a comma,

(2) by striking the period at the end of paragraph (7) and inserting “, and”, and

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

“(8) so much of the deduction allowed by section 165(a) as is attributable to the qualified net disaster loss (as defined in section 165(h)(6)(B)).”.

(d) *EFFECTIVE DATE.*—

(1) *IN GENERAL.*—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

(2) *COORDINATION WITH SUPERCEDED PROVISIONS.*—Section 304(b) of the Taxpayer Certainty and Disaster Tax Relief Act of 2020 (division EE of Public Law 116–260) and section 70438 of Public Law 119–21 shall not apply to any taxable year beginning after December 31, 2024.