

Public Law 105-35
105th Congress

An Act

Aug. 5, 1997
[H.R. 1226]

To amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information.

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

Taxpayer
Browsing
Protection Act.
26 USC 1 note.

SECTION 1. SHORT TITLE.

This Act may be cited as the "Taxpayer Browsing Protection Act".

SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX RETURNS OR TAX RETURN INFORMATION.

(a) IN GENERAL.—Part I of subchapter A of chapter 75 of the Internal Revenue Code of 1986 (relating to crimes, other offenses, and forfeitures) is amended by adding after section 7213 the following new section:

26 USC 7213A.

"SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR RETURN INFORMATION.

"(a) PROHIBITIONS.—

"(1) FEDERAL EMPLOYEES AND OTHER PERSONS.—It shall be unlawful for—

"(A) any officer or employee of the United States, or

"(B) any person described in section 6103(n) or an officer or employee of any such person, willfully to inspect, except as authorized in this title, any return or return information.

"(2) STATE AND OTHER EMPLOYEES.—It shall be unlawful for any person (not described in paragraph (1)) willfully to inspect, except as authorized in this title, any return or return information acquired by such person or another person under a provision of section 6103 referred to in section 7213(a)(2).

"(b) PENALTY.—

"(1) IN GENERAL.—Any violation of subsection (a) shall be punishable upon conviction by a fine in any amount not exceeding \$1,000, or imprisonment of not more than 1 year, or both, together with the costs of prosecution.

"(2) FEDERAL OFFICERS OR EMPLOYEES.—An officer or employee of the United States who is convicted of any violation of subsection (a) shall, in addition to any other punishment, be dismissed from office or discharged from employment.

"(c) DEFINITIONS.—For purposes of this section, the terms 'inspect', 'return', and 'return information' have the respective meanings given such terms by section 6103(b)."

(b) TECHNICAL AMENDMENTS.—

(1) Paragraph (2) of section 7213(a) of such Code is amended by inserting “(5),” after “(m)(2), (4),”.

(2) The table of sections for part I of subchapter A of chapter 75 of such Code 1986 is amended by inserting after the item relating to section 7213 the following new item:

“Sec. 7213A. Unauthorized inspection of returns or return information.”.

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

SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION OF RETURNS AND RETURN INFORMATION; NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.

(a) **CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION.**—Subsection (a) of section 7431 of the Internal Revenue Code of 1986 is amended—

(1) by striking “DISCLOSURE” in the headings for paragraphs (1) and (2) and inserting “INSPECTION OR DISCLOSURE”, and

(2) by striking “discloses” in paragraphs (1) and (2) and inserting “inspects or discloses”.

(b) **NOTIFICATION OF UNLAWFUL INSPECTION OR DISCLOSURE.**—Section 7431 of such Code is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

“(e) **NOTIFICATION OF UNLAWFUL INSPECTION AND DISCLOSURE.**—If any person is criminally charged by indictment or information with inspection or disclosure of a taxpayer’s return or return information in violation of—

“(1) paragraph (1) or (2) of section 7213(a),

“(2) section 7213A(a), or

“(3) subparagraph (B) of section 1030(a)(2) of title 18, United States Code,

the Secretary shall notify such taxpayer as soon as practicable of such inspection or disclosure.”.

(c) **NO DAMAGES FOR INSPECTION REQUESTED BY TAXPAYER.**—Subsection (b) of section 7431 of such Code is amended to read as follows:

“(b) **EXCEPTIONS.**—No liability shall arise under this section with respect to any inspection or disclosure—

“(1) which results from a good faith, but erroneous, interpretation of section 6103, or

“(2) which is requested by the taxpayer.”.

(d) **CONFORMING AMENDMENTS.**—

(1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d) of section 7431 of such Code are each amended by inserting “inspection or” before “disclosure”.

(2) Clause (ii) of section 7431(c)(1)(B) of such Code is amended by striking “willful disclosure or a disclosure” and inserting “willful inspection or disclosure or an inspection or disclosure”.

(3) Subsection (f) of section 7431 of such Code, as redesignated by subsection (b), is amended to read as follows:

“(f) **DEFINITIONS.**—For purposes of this section, the terms ‘inspect’, ‘inspection’, ‘return’, and ‘return information’ have the respective meanings given such terms by section 6103(b).”.

26 USC 7431.

(4) The section heading for section 7431 of such Code is amended by inserting "INSPECTION OR" before "DISCLOSURE".

(5) The table of sections for subchapter B of chapter 76 of such Code is amended by inserting "inspection or" before "disclosure" in the item relating to section 7431.

(6) Paragraph (2) of section 7431(g) of such Code, as redesignated by subsection (b), is amended by striking "any use" and inserting "any inspection or use".

26 USC 7431
note.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to inspections and disclosures occurring on and after the date of the enactment of this Act.

Approved August 5, 1997.

LEGISLATIVE HISTORY—H.R. 1226 (S. 522):

HOUSE REPORTS: No. 105-51 (Comm. on Ways and Means).

CONGRESSIONAL RECORD, Vol. 143 (1997):

Apr. 15, considered and passed House.

July 23, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 33 (1997):

Aug. 5, Presidential statement.