

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.

(Added Pub. L. 116-25, title II, §2007(a), July 1, 2019, 133 Stat. 1005.)

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-25, title II, §2007(d), July 1, 2019, 133 Stat. 1006, provided that: “The amendments made by this section [enacting this section and amending section 432 of Title 42, The Public Health and Welfare] shall apply to determinations made after the date that is 6 months after the date of the enactment of this Act [July 1, 2019].”

PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS IDENTITY THEFT REFUND FRAUD

Pub. L. 116-25, title II, §2001, July 1, 2019, 133 Stat. 1001, provided that: “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.”

INFORMATION SHARING AND ANALYSIS CENTER

Pub. L. 116-25, title II, §2003(a), (b), July 1, 2019, 133 Stat. 1001, provided that:

“(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.”

SINGLE POINT OF CONTACT FOR TAX-RELATED IDENTITY THEFT VICTIMS

Pub. L. 116-25, title II, §2006, July 1, 2019, 133 Stat. 1004, provided that:

“(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.”

EXAMINATION OF BOTH PAPER AND ELECTRONIC STATEMENTS AND RETURNS

Pub. L. 116-25, title II, §2007(b)(1), July 1, 2019, 133 Stat. 1006, provided that: “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.”

UNDERREPORTING OF INCOME

Pub. L. 116-25, title II, §2007(b)(3), July 1, 2019, 133 Stat. 1006, provided that: “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.”

GUIDELINES FOR STOLEN IDENTITY REFUND FRAUD CASES

Pub. L. 116-25, title II, §2008, July 1, 2019, 133 Stat. 1006, provided that:

“(a) **IN GENERAL.**—Not later than 1 year after the date of the enactment of this Act [July 1, 2019], 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.”

§ 7530. Application of earned income tax credit to possessions of the United States

(a) Puerto Rico

(1) In general

With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to Puerto Rico equal to—

(A) the specified matching amount for such calendar year, plus

(B) in the case of calendar years 2021 through 2025, the lesser of—

(i) the expenditures made by Puerto Rico during such calendar year for education ef-

forts with respect to individual taxpayers and tax return preparers relating to the earned income tax credit, or

(ii) \$1,000,000.

(2) Requirement to reform earned income tax credit

The Secretary shall not make any payments under paragraph (1) with respect to any calendar year unless Puerto Rico has in effect an earned income tax credit for taxable years beginning in or with such calendar year which (relative to the earned income tax credit which was in effect for taxable years beginning in or with calendar year 2019) increases the percentage of earned income which is allowed as a credit for each group of individuals with respect to which such percentage is separately stated or determined in a manner designed to substantially increase workforce participation.

(3) Specified matching amount

For purposes of this subsection—

(A) In general

The term “specified matching amount” means, with respect to any calendar year, the lesser of—

(i) the excess (if any) of—

(I) the cost to Puerto Rico of the earned income tax credit for taxable years beginning in or with such calendar year, over

(II) the base amount for such calendar year, or

(ii) the product of 3, multiplied by the base amount for such calendar year.

(B) Base amount

(i) Base amount for 2021

In the case of calendar year 2021, the term “base amount” means the greater of—

(I) the cost to Puerto Rico of the earned income tax credit for taxable years beginning in or with calendar year 2019 (rounded to the nearest multiple of \$1,000,000), or

(II) \$200,000,000.

(ii) Inflation adjustment

In the case of any calendar year after 2021, the term “base amount” means the dollar amount determined under clause (i) increased by an amount equal to—

(I) such dollar amount, multiplied by—

(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting “calendar year 2020” for “calendar year 2016” in subparagraph (A)(ii) thereof.

Any amount determined under this clause shall be rounded to the nearest multiple of \$1,000,000.

(4) Rules related to payments

(A) Timing of payments

The Secretary shall make payments under paragraph (1) for any calendar year—

(i) after receipt of such information as the Secretary may require to determine such payments, and

(ii) except as provided in clause (i), within a reasonable period of time before the due date for individual income tax returns (as determined under the laws of Puerto Rico) for taxable years which began on the first day of such calendar year.

(B) Information

The Secretary may require the reporting of such information as the Secretary may require to carry out this subsection.

(C) Determination of cost of earned income tax credit

For purposes of this subsection, the cost to Puerto Rico of the earned income tax credit shall be determined by the Secretary on the basis of the laws of Puerto Rico and shall include reductions in revenues received by Puerto Rico by reason of such credit and refunds attributable to such credit, but shall not include any administrative costs with respect to such credit.

(b) Possessions with mirror code tax systems

(1) In general

With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to the Virgin Islands, Guam, and the Commonwealth of the Northern Mariana Islands equal to—

(A) the cost to such possession of the earned income tax credit for taxable years beginning in or with such calendar year, plus

(B) in the case of calendar years 2021 through 2025, the lesser of—

(i) the expenditures made by such possession during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to such earned income tax credit, or

(ii) \$50,000.

(2) Application of certain rules

Rules similar to the rules of subparagraphs (A), (B), and (C) of subsection (a)(4) shall apply for purposes of this subsection.

(c) American Samoa

(1) In general

With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to American Samoa equal to—

(A) the lesser of—

(i) the cost to American Samoa of the earned income tax credit for taxable years beginning in or with such calendar year, or

(ii) \$16,000,000, plus

(B) in the case of calendar years 2021 through 2025, the lesser of—

(i) the expenditures made by American Samoa during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to such earned income tax credit, or

(ii) \$50,000.

(2) Requirement to enact and maintain an earned income tax credit

The Secretary shall not make any payments under paragraph (1) with respect to any calendar year unless American Samoa has in effect an earned income tax credit for taxable years beginning in or with such calendar year which allows a refundable tax credit to individuals on the basis of the taxpayer's earned income which is designed to substantially increase workforce participation.

(3) Inflation adjustment

In the case of any calendar year after 2021, the \$16,000,000 amount in paragraph (1)(A)(ii) shall be increased by an amount equal to—

- (A) such dollar amount, multiplied by—
- (B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting “calendar year 2020” for “calendar year 2016” in subparagraph (A)(ii) thereof.

Any increase determined under this clause shall be rounded to the nearest multiple of \$100,000.

(4) Application of certain rules

Rules similar to the rules of subparagraphs (A), (B), and (C) of subsection (a)(4) shall apply for purposes of this subsection.

(d) Treatment of payments

For purposes of section 1324 of title 31, United States Code, the payments under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(Added Pub. L. 117-2, title IX, §9625(a), Mar. 11, 2021, 135 Stat. 155.)

CHAPTER 78—DISCOVERY OF LIABILITY AND ENFORCEMENT OF TITLE

Subchapter		Sec. ¹
A.	Examination and inspection	7601
B.	General powers and duties	7621
[C.]	Repealed.]	
D.	Possessions	7651

Editorial Notes

AMENDMENTS

Pub. L. 94-455, title XIX, §1906(b)(13), Oct. 4, 1976, 90 Stat. 1834, struck out subchapter C relating to supervision of operations of certain manufacturers.

Subchapter A—Examination and Inspection

Sec.	
7601.	Canvass of districts for taxable persons and objects.
7602.	Examination of books and witnesses.
7603.	Service of summons.
7604.	Enforcement of summons.
7605.	Time and place of examination.
7606.	Entry of premises for examination of taxable objects.
[7607.]	Repealed.]
7608.	Authority of internal revenue enforcement officers.
7609.	Special procedures for third-party summonses.

¹ Section numbers editorially supplied.

Sec.	
7610.	Fees and costs for witnesses.
7611.	Restrictions on church tax inquiries and examinations.
7612.	Special procedures for summonses for computer software.
7613.	Cross references.

Editorial Notes

AMENDMENTS

1998—Pub. L. 105-206, title III, §3413(d), July 22, 1998, 112 Stat. 754, added items 7612 and 7613 and struck out former item 7612 “Cross references”.

1984—Pub. L. 98-573, title II, §213(b)(2), Oct. 30, 1984, 98 Stat. 2988, struck out item 7607 “Additional authority for Bureau of Customs”.

Pub. L. 98-369, div. A, title X, §1033(c)(2), July 18, 1984, 98 Stat. 1039, added item 7611 and redesignated former item 7611 as 7612.

1976—Pub. L. 94-455, title XII, §1205(b), Oct. 4, 1976, 90 Stat. 1702, substituted “Special procedures for third-party summonses” for “Cross references” in item 7609 and added items 7610 and 7611.

1970—Pub. L. 91-513, title III, §1102(g)(2), Oct. 27, 1970, 84 Stat. 1293, struck out “Bureau of Narcotics and” before “Bureau of Customs” in item 7607.

1958—Pub. L. 85-859, title II, §204(16), Sept. 2, 1958, 72 Stat. 1430, added item 7608 and redesignated former item 7608 as 7609.

1956—Act July 18, 1956, ch. 629, §104(b), 70 Stat. 570, added item 7607 and redesignated former item 7607 as 7608.

§ 7601. Canvass of districts for taxable persons and objects

(a) General rule

The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax, and all persons owning or having the care and management of any objects with respect to which any tax is imposed.

(b) Penalties

For penalties applicable to forcible obstruction or hindrance of Treasury officers or employees in the performance of their duties, see section 7212.

(Aug. 16, 1954, ch. 736, 68A Stat. 901; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

Editorial Notes

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

§ 7602. Examination of books and witnesses

(a) Authority to summon, etc.

For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person for any internal revenue tax or the liability at law or in equity of any transferee or fiduciary of any person in respect of any internal revenue tax, or collecting any such liability, the Secretary is authorized—

- (1) To examine any books, papers, records, or other data which may be relevant or material to such inquiry;