

**DESCRIPTION OF H.R. 4885, A BILL TO REQUIRE THAT
USER FEES COLLECTED BY THE INTERNAL REVENUE SERVICE
BE DEPOSITED INTO THE GENERAL FUND OF THE TREASURY**

Scheduled for Markup
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on April 13, 2016

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION



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INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup of H.R. 4885, a bill to require that user fees collected by the Internal Revenue Service be deposited into the general fund of the Treasury. This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a description of the bill.

¹ This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 4885, A Bill to Require that User Fees Collected by the Internal Revenue Service be Deposited into the General Fund of the Treasury* (JCX-21-16), April 12, 2016. This document can also be found on the Joint Committee on Taxation website at www.jct.gov.

A. Requirement that User Fees Collected by the Internal Revenue Service be Deposited into the General Fund of the Treasury

Present Law

Federal agencies may establish fees for certain services provided by the agencies,² if the charges are fair, based on the costs to the government, the value of the service to the recipient, the public policy or interest served, and other relevant facts. Those policies currently are set by the Office of Management and Budget (“OMB”).³ The Internal Revenue Service collects user fees for a broad variety of services that are of value to the requesting taxpayers, ranging from advanced pricing agreements to installment agreements.⁴ Since 1994, the proceeds of user fees have been available to the Internal Revenue Service to supplement appropriations each fiscal year.⁵

Explanation of Provision

The proceeds of user fees collected by the Internal Revenue Service are no longer available to the agency absent appropriation. All such fees must be deposited into the general fund of the Treasury.

Effective Date

The proposal is effective with respect to fees collected after the date of enactment.

² The Independent Offices Appropriations Act of 1952 (IOAA), 65 Stat. B70, (June 27, 1951). See also 31 U.S. Sec. 9701.

³ OMB Circular A-25, 58 FR 38142 (July 15, 1993).

⁴ A discussion of the IRS practice regarding user fees and a list of actions for which fees are charged is included in the Internal Revenue Manual. See “User Fees,” paragraph 1.32.19 IRM, available at https://www.irs.gov/irm/part1/irm_01-032-019.html.

⁵ Title I, section 3, Public Law No. 103-329 (September 30, 1995).

B. Estimated Revenue Effect of the Proposal

The proposal is estimated to have no effect on Federal fiscal year budget receipts for the period 2016-2026. The extent to which the proposal may increase or decrease Federal outlays for the same period 2016-2026 has not been estimated. In accordance with section 402 of the Budget Act, the Congressional Budget Office has jurisdiction to estimate the effect on direct or discretionary spending.