

114TH CONGRESS
1ST SESSION

H. R. 3832

To amend the Internal Revenue Code of 1986 to prevent tax-related identity theft and tax fraud, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 26, 2015

Mr. RENACCI (for himself, Mr. LEWIS, Mr. ROSKAM, Mr. BUCHANAN, and Mr. REICHERT) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to prevent tax-related identity theft and tax fraud, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stolen Identify Refund
5 Fraud Prevention Act of 2015”.

1 **SEC. 2. MODIFICATION OF DUE DATES FOR CERTAIN IN-**
2 **FORMATION FILING RETURNS.**

3 (a) ACCELERATED FILING OF FORMS W-2 AND W-
4 3.—

5 (1) IN GENERAL.—Section 6071 of the Internal
6 Revenue Code of 1986 is amended by redesignating
7 subsection (c) as subsection (d), and by inserting
8 after subsection (b) the following new subsection:

9 “(c) RETURNS RELATING TO EMPLOYEE WAGE IN-
10 FORMATION AND FORMS 1099-MISC.—Returns and
11 statements made under sections 6051 and 6052, and any
12 payments required to be reported on Form 1099-MISC
13 with respect to nonemployee compensation, shall be filed
14 on or before February 15 of the year following the cal-
15 endar year to which such returns relate.”.

16 (2) CONFORMING AMENDMENT.—Subsection (b)
17 of section 6071 of such Code is amended by striking
18 “subparts B and C of part III of this subchapter”
19 and inserting “subpart B of part III of this sub-
20 chapter (other than returns filed on Form 1099-
21 MISC with respect to nonemployee compensation)”.

22 (3) EFFECTIVE DATE.—The amendments made
23 by this subsection shall apply to returns and state-
24 ments relating to calendar years beginning after the
25 date of the enactment of this Act.

1 (b) STUDY AND RECOMMENDATIONS REGARDING AD-
2 MINISTRATIVE IMPLEMENTATION.—Not later than Janu-
3 ary 1, 2018, the Secretary of the Treasury shall submit
4 to the Committee on Ways and Means of the House of
5 Representatives and the Committee on Finance of the
6 Senate—

7 (1) a recommendation of whether the due dates
8 for filing Forms W-2 and W-3 with the Internal
9 Revenue Service and the Social Security Administra-
10 tion should be further accelerated in order to pre-
11 vent tax refund fraud,

12 (2) recommendations for processes—

13 (A) to match the information reported on
14 Forms W-2 and Forms 1099-MISC for the ef-
15 fective processing of returns and accurate deter-
16 mination of refunds, and

17 (B) to correct errors on such documents,
18 and

19 (3) any other recommendations the Secretary
20 may have for accelerating information reporting, in-
21 cluding the identification of any other forms that
22 should be due on an accelerated schedule, in order
23 to prevent tax refund fraud.

1 **SEC. 3. CENTRALIZED POINT OF CONTACT FOR IDENTITY**
2 **THEFT VICTIMS.**

3 The Secretary of the Treasury, or the Secretary's del-
4 egate, shall establish and maintain an office at the Inter-
5 nal Revenue Service and procedures to ensure that any
6 taxpayer whose return has been delayed or otherwise ad-
7 versely affected due to the theft of the taxpayer's identity
8 has a centralized point of contact throughout the proc-
9 essing of his or her case. The office shall coordinate with
10 other offices within the Internal Revenue Service to resolve
11 the taxpayer's case as quickly as possible.

12 **SEC. 4. TAXPAYER NOTIFICATION OF SUSPECTED IDENTITY**
13 **THEFT.**

14 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
15 enue Code of 1986 is amended by adding at the end the
16 following new section:

17 **“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY**
18 **THEFT.**

19 “If the Secretary determines that there was an unau-
20 thorized use of the identity of any taxpayer, the Secretary
21 shall—

22 “(1) as soon as practicable and without jeop-
23 ardizing an investigation relating to tax administra-
24 tion, notify the taxpayer, and

25 “(2) if any person is criminally charged by in-
26 dictment or information relating to such unauthor-

1 ized use, notify such taxpayer as soon as practicable
2 of such charge.”.

3 (b) CLERICAL AMENDMENT.—The table of sections
4 for chapter 77 of such Code is amended by adding at the
5 end the following new item:

“Sec. 7529. Notification of suspected identity theft.”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to determinations made after the
8 date of the enactment of this Act.

9 **SEC. 5. EXTENSION OF IRS AUTHORITY TO REQUIRE TRUN-**
10 **CATED SOCIAL SECURITY NUMBERS ON**
11 **FORM W-2.**

12 (a) IN GENERAL.—Paragraph (2) of section 6051(a)
13 of the Internal Revenue Code of 1986 is amended by strik-
14 ing “his social security number” and inserting “an identi-
15 fying number for the employee”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall take effect on the date of the enactment
18 of this Act.

19 **SEC. 6. ELECTRONIC FILING OPT OUT.**

20 Not later than 180 days after the date of the enact-
21 ment of this Act, the Secretary of the Treasury, or the
22 Secretary’s delegate, shall implement a program under
23 which a taxpayer who has filed an identity theft affidavit
24 with the Secretary may elect to prevent the processing of

1 any Federal tax return submitted in an electronic format
2 by the taxpayer or a person purporting to be the taxpayer.

3 **SEC. 7. CRIMINAL PENALTY FOR USING A FALSE IDENTITY**

4 **IN CONNECTION WITH TAX FRAUD.**

5 (a) IN GENERAL.—Section 7206 of the Internal Rev-
6 enue Code of 1986 is amended—

7 (1) by striking “Any person” and inserting the
8 following:

9 “(a) IN GENERAL.—Any person”, and

10 (2) by adding at the end the following new sub-
11 section:

12 “(b) USE OF FALSE IDENTITY.—Any person who
13 willfully misappropriates another person’s taxpayer iden-
14 tity (as defined in section 6103(b)(6)) for the purpose of
15 making any list, return, account, statement, or other docu-
16 ment submitted to the Secretary under the provisions of
17 this title shall be guilty of a felony and, upon conviction
18 thereof, shall be fined not more than \$250,000 (\$500,000
19 in the case of a corporation) or imprisoned not more than
20 5 years, or both, together with the costs of prosecution.”.

21 (b) AGGRAVATED IDENTITY THEFT.—Section
22 1028A(c) of title 18, United States Code, is amended by
23 striking “or” at the end of paragraph (10), by striking
24 the period at the end of paragraph (11) and inserting “;

1 or”, and by adding at the end the following new para-
2 graph:

3 “(12) section 7206(b) of the Internal Revenue
4 Code of 1986 (relating to use of false identity in
5 connection with tax fraud).”.

6 (c) EFFECTIVE DATE.—The amendments made by
7 this section shall apply to offenses committed after the
8 date of the enactment of this Act.

9 **SEC. 8. IMPROVEMENT IN ACCESS TO INFORMATION IN**
10 **THE NATIONAL DIRECTORY OF NEW HIRES.**

11 (a) IN GENERAL.—Paragraph (3) of section 453(i)
12 of the Social Security Act (42 U.S.C. 653(i)) is amended
13 to read as follows:

14 “(3) ADMINISTRATION OF FEDERAL TAX LAWS
15 RELATING TO FRAUD.—The Secretary of the Treas-
16 ury shall have access to the information in the Na-
17 tional Directory of New Hires for the sole purpose
18 of identifying and preventing fraudulent tax return
19 filings and claims for refund under the Internal Rev-
20 enue Code of 1986.”.

21 (b) EFFECTIVE DATE.—The amendment made by
22 this section shall take effect on the date of the enactment
23 of this Act.

1 **SEC. 9. REPEAL OF PROVISION REGARDING CERTAIN TAX**
2 **COMPLIANCE PROCEDURES AND REPORTS.**

3 Section 2004 of the Internal Revenue Service Re-
4 structuring and Reform Act of 1998 (26 U.S.C. 6012
5 note) is repealed.

6 **SEC. 10. REPORT ON REFUND FRAUD.**

7 Not later than September 30, 2018, and biannually
8 thereafter through September 30, 2026, the Secretary of
9 the Treasury (or the Secretary's delegate) shall report to
10 the Committee on Ways and Means of the House of Rep-
11 resentatives and the Committee on Finance of the Senate
12 on the extent and nature of fraud involving the use of a
13 misappropriated taxpayer identity with respect to claims
14 for refund under the Internal Revenue Code of 1986 dur-
15 ing the preceding completed income tax filing season, and
16 the detection, prevention, and enforcement activities un-
17 dertaken by the Internal Revenue Service with respect to
18 such fraud, including—

19 (1) detailing efforts to combat identity theft
20 fraud, including an update on the victims' assistance
21 unit;

22 (2) providing an update on Internal Revenue
23 Service efforts and results associated with limiting
24 multiple refunds to the same financial account and
25 physical address, with appropriate exceptions; and

1 (3) discussing Internal Revenue Service efforts
2 associated with other avenues for addressing identity
3 theft refund fraud.

4 In addition, each report shall provide an update on the
5 implementation of this Act, analyze other ways to accel-
6 erate information matching, and identify the need for any
7 further legislation to protect taxpayer resources and infor-
8 mation, including preventing tax refund fraud related to
9 the Internal Revenue Service's e-Services tools and elec-
10 tronic filing identification numbers.

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