

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5346
OFFERED BY MR. SMITH OF MISSOURI**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Fair and Accountable
3 IRS Reviews Act”.

**4 SEC. 2. PROCEDURAL REQUIREMENTS FOR ASSESSMENT
5 OF PENALTIES.**

6 (a) APPROVAL OF ASSESSMENT.—Section 6751(b)(1)
7 of the Internal Revenue Code of 1986 is amended to read
8 as follows:

9 “(1) IN GENERAL.—No penalty under this title
10 shall be assessed or entered unless, before any writ-
11 ten communication with respect to such penalty (in-
12 cluding proposal of a penalty as an adjustment) is
13 sent to the taxpayer, the initial determination of
14 such assessment is personally approved (in writing)
15 by the immediate supervisor of the individual mak-
16 ing such determination or such higher level official
17 as the Secretary may designate.”.

1 (b) IMMEDIATE SUPERVISOR DEFINED.—Section
2 6751(b) of such Code is amended by adding at the end
3 the following new paragraph:

4 “(3) IMMEDIATE SUPERVISOR.—For purposes
5 of this subsection, the term ‘immediate supervisor’
6 means, with respect to an individual making a deter-
7 mination under paragraph (1), the person to whom
8 such individual reports.”.

9 (c) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to notices issued, and penalties as-
11 sessed, after December 31, 2025.

