

119TH CONGRESS
2D SESSION

H. R. 6956

To require electronically prepared tax returns to include scannable code when submitted on paper, and to require the use of optical character recognition technology for paper documents received by the Internal Revenue Service.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2026

Mr. SCHNEIDER (for himself and Mr. YAKYM) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To require electronically prepared tax returns to include scannable code when submitted on paper, and to require the use of optical character recognition technology for paper documents received by the Internal Revenue Service.

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 “Barcode Automation
5 for Revenue Collection to Organize Disbursement and En-
6 hance Efficiency Act” or the “BARCODE Efficiency
7 Act”.

1 **SEC. 2. SCANNING AND DIGITIZATION OF TAX RETURNS**
2 **AND CORRESPONDENCE.**

3 (a) RETURNS PREPARED ELECTRONICALLY AND
4 SUBMITTED ON PAPER.—With respect to any Federal tax
5 return which is prepared electronically, but is printed and
6 filed on paper—

7 (1) such return shall bear a code which, when
8 scanned, converts the data included in such return
9 to electronic format, and

10 (2) subject to subsection (b)(1)(B), the Internal
11 Revenue Service shall use barcode scanning tech-
12 nology to convert the data included in such returns
13 to electronic format.

14 (b) OPTICAL CHARACTER RECOGNITION SOFT-
15 WARE.—With respect to—

16 (1) any Federal tax return which—

17 (A) is not prepared electronically and is
18 printed and filed on paper, or

19 (B) is described in subsection (a)(1) but,
20 for any reason, the data included in such return
21 cannot be accurately converted into electronic
22 format, or

23 (2) any correspondence which is received by the
24 Internal Revenue Service in a paper form (with the
25 exception of any such correspondence which has

1 been received by the Internal Revenue Service in
2 electronic format),
3 the Internal Revenue Service shall use optical character
4 recognition technology (or any functionally similar tech-
5 nology) to transcribe such return or correspondence.

6 (c) EXCEPTION.—

7 (1) IN GENERAL.—Subsection (a) or (b) shall
8 not apply to the extent that the Secretary of the
9 Treasury or the Secretary’s delegate determines that
10 the technology described in such subsection is slower
11 or less reliable than—

12 (A) the process of manually transcribing
13 returns or correspondence received in a paper
14 form, or

15 (B) any other process that the Internal
16 Revenue Service is using or would otherwise
17 use.

18 (2) REPORT TO CONGRESS.—Any exception to
19 the application of subsection (a) or (b) pursuant to
20 paragraph (1) shall not take effect unless the Sec-
21 retary provides a report to the Committee on Ways
22 and Means of the House of Representatives and the
23 Committee on Finance of the Senate regarding the
24 determination made by the Secretary under such
25 paragraph within 30 days of such determination.

1 (d) EFFECTIVE DATE.—This section shall apply to—

2 (1) any individual income tax return (as defined
3 in section 6011(e)(3)(C) of the Internal Revenue
4 Code of 1986) received on or after January 1 of the
5 first calendar year beginning more than 180 days
6 after the date of enactment of this Act,

7 (2) any estate tax return (as described in sec-
8 tion 6018 of such Code) or gift tax return (as de-
9 scribed in section 6019 of such Code) received on or
10 after January 1 of the first calendar year beginning
11 more than 24 months after the date of enactment of
12 this Act, and

13 (3) any other return or correspondence received
14 on or after January 1 of the first calendar year be-
15 ginning more than 12 months after the date of en-
16 actment of this Act.

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