

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 9501
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 “AI Tax Integrity Act
3 of 2026”.

**4 SEC. 2. ARTIFICIAL INTELLIGENCE FRAUD DETECTION
5 PILOT PROGRAM.**

6 (a) IN GENERAL.—The Secretary of the Treasury
7 shall, not later than 180 days after the date of the enact-
8 ment of this Act, establish a pilot program to use artificial
9 intelligence to identify inaccurate returns of tax, including
10 such returns which are inaccurate as a result of—

11 (1) identity theft,

12 (2) fraudulent claims for tax credits, deduc-
13 tions, or refunds by individual or business taxpayers,
14 and

15 (3) tax returns improperly prepared by a third
16 party who is not properly identified on the return.

1 (b) DURATION.—The pilot program required under
2 subsection (a) shall operate for a period of not less than
3 18 months and not more than 2 years.

4 (c) REPORT.—Not later than 180 days after the ter-
5 mination of the pilot program required under subsection
6 (a), the Comptroller General shall submit a report to the
7 Committee on Ways and Means of the House of Rep-
8 resentatives and to the Committee on Finance of the Sen-
9 ate describing—

10 (1) the aggregate amount of improper refunds
11 or reduced tax liability attributable to fraud detected
12 as a result of the pilot program required by sub-
13 section (a),

14 (2) the aggregate amount of any recovery made
15 by the Government by reason of such pilot program,
16 and

17 (3) the accuracy of the artificial intelligence
18 tools used under such pilot program in identifying
19 fraudulent returns of tax.

