



H.R. 9501, *AI Tax Integrity Act of 2026*

Rep. Buchanan (R-FL), Rep. Horsford (D-NV)

Background:

- **The IRS issues tens of billions in improper refunds annually**, driven by identity theft, fraudulent claims, and incompetent or unscrupulous return preparers, all of which take money from honest taxpayers.
- During a Committee hearing, witnesses testified that **the IRS should be leveraging AI** rather than relying on outdated legacy systems and tens of thousands of new auditors.

H.R. 9501, *AI Tax Integrity Act of 2026*:

- **Requires the Treasury Secretary to establish a pilot program to use artificial intelligence (AI)** to identify inaccurate tax returns, including those which are the result of:
 - Identity theft;
 - Fraudulent claims for tax credits, deductions, or refunds by individual or business taxpayers; and
 - Improperly prepared returns by third-party return preparers
- **Requires the Comptroller General to submit a report** to the House Ways and Means Committee and the Senate Committee on Finance describing:
 - Aggregate amount of improper refunds or reduced tax liability attributable to fraud detected under the pilot program;
 - Aggregate amount of any recovery made under the pilot program; and
 - Accuracy of the AI tool used under such pilot program in identifying fraudulent tax returns.
- Rather than committing to a costly large-scale rollout, **this bill tests proven technology on a limited basis generating real data on fraud detection** before any further investment of taxpayer dollars.
 - A mandatory, independent GAO report to the Ways and Means and Finance Committees **ensures Congress can judge the program on hard results and decide whether to expand, modify, or end it.**