

112TH CONGRESS
1ST SESSION

S. 1796

To make permanent the Internal Revenue Service Free File program.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 3, 2011

Mr. PRYOR (for himself and Mr. ISAKSON) introduced the following bill; which
was read twice and referred to the Committee on Finance

A BILL

To make permanent the Internal Revenue Service Free File
program.

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 “Free File Program
5 Act of 2011”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) The Internal Revenue Service (IRS) Free
9 File program as established by the IRS pursuant to
10 public rulemaking and set forth in the Federal Reg-
11 ister, Vol. 67, No. 213, Monday, November 4, 2002,

1 pages 67247–67251, and in implementing agree-
2 ments and governing rules and requirements be-
3 tween the IRS and the tax software and electronic
4 industry between 2002 and 2011, has been success-
5 ful and significant in the efforts of the Federal Gov-
6 ernment to increase the electronic filing of individual
7 income tax returns of low and moderate income tax-
8 payers.

9 (2) By the end of the current tax return filing
10 season more than 30,000,000 Federal individual in-
11 come tax returns will have been prepared and filed
12 electronically for free over the life of the IRS Free
13 File program.

14 (3) The IRS Free File program offers Federal
15 individual income tax return preparation and elec-
16 tronic filing services to more than 70 percent of tax-
17 payers, approximately 100,000,000 taxpayers at the
18 end of the current tax filing period, with tax soft-
19 ware and electronic filing provided at no cost to the
20 taxpayers who use the service or to the Federal Gov-
21 ernment from tax software and electronic filing com-
22 panies participating in the program.

23 (4) By the end of the current tax return filing
24 season, it is estimated that the IRS Free File pro-
25 gram will have saved taxpayers approximately

1 \$1,000,000,000 and will have saved the Federal
2 Government hundreds of millions of dollars.

3 **SEC. 3. INTERNAL REVENUE SERVICE FREE FILE PRO-**
4 **GRAM.**

5 (a) The Secretary of the Treasury, or the Secretary's
6 delegate, is authorized and directed to continue to operate
7 the Internal Revenue Service (IRS) Free File program as
8 established by the IRS in the public rulemaking of Novem-
9 ber 4, 2002, and subsequent agreements and governing
10 rules.

11 (b) The IRS Free File program shall continue to pro-
12 vide free online individual income tax preparation and
13 electronic filing services to the 70 percent of taxpayers
14 with the lowest income, determined using prior year tax-
15 payer adjusted gross income. The number of taxpayers re-
16 ceiving such services each year shall be adjusted for each
17 filing season based on taxpayer population and income
18 changes, but the percentage specified in the preceding sen-
19 tence shall not change.

20 (c) The Internal Revenue Service shall continue to
21 work cooperatively with the private sector through the
22 Free File Alliance to provide free individual income tax
23 preparation and electronic filing services and shall not
24 compete with the private sector in providing these services
25 to taxpayers, nor shall such Service acquire, develop, or

1 deploy enabling systems to duplicate or replace private tax
2 preparation services.

3 (d) The Secretary of the Treasury, or the Secretary's
4 delegate, shall not establish, develop, sponsor, acquire, or
5 make available individual income tax preparation software
6 or electronic filing services except through the IRS Free
7 File program and the Internal Revenue Service's Taxpayer
8 Assistance Centers, Tax Counseling for the Elderly, and
9 volunteer income tax assistance (VITA) programs.

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