

114TH CONGRESS
2D SESSION

H. R. 4938

To make permanent the Internal Revenue Service Free File program.

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2016

Mr. ROSKAM (for himself, Mr. KIND, Mr. CONAWAY, Mr. BUTTERFIELD, Mr. TOM PRICE of Georgia, Mr. SESSIONS, Mr. MCHENRY, Mr. BOUSTANY, Mr. TIBERI, Mr. REICHERT, Mr. BUCHANAN, Mr. RANGEL, Mr. NEAL, Mr. KELLY of Pennsylvania, Mrs. BLACK, Mr. CROWLEY, Mr. PAULSEN, Ms. LINDA T. SÁNCHEZ of California, Mr. LARSON of Connecticut, Mr. PASCRELL, Ms. JENKINS of Kansas, Mr. RENACCI, Mr. MARCHANT, Mr. CRENSHAW, Ms. FOXX, Mr. SCHIFF, Mr. KINZINGER of Illinois, Mr. SMITH of Washington, Mr. COHEN, Ms. JUDY CHU of California, Mr. LANGEVIN, Mr. HUDSON, Mr. WHITFIELD, Mr. DUNCAN of South Carolina, Mr. GUTHRIE, Mr. HUIZENGA of Michigan, Mr. MULVANEY, Mr. WOMACK, Mr. HOLDING, Mr. COLE, Ms. ESHOO, Mr. PITTENGER, Mr. CONNOLLY, Mr. BEYER, Mr. KILMER, Mr. ROE of Tennessee, Mr. HIMES, Ms. ROYBAL-ALLARD, Mr. THOMPSON of California, Mr. HULTGREN, Mr. ROSS, Mr. WILSON of South Carolina, Mr. FINCHER, Mr. CRAWFORD, Mr. POLIS, Mr. BURGESS, Mr. AMODEI, Mrs. COMSTOCK, Mr. LATTI, Mr. CALVERT, Mr. RUSH, Mr. COLLINS of New York, Mrs. BLACKBURN, and Mr. DIAZ-BALART) introduced the following bill; which was referred to the Committee on Ways and Means

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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Free File Act of
3 2016”.

4 **SEC. 2. FINDINGS.**

5 The Congress finds the following:

6 (1) The Internal Revenue Service Free File
7 program (hereinafter referred to as the “IRS Free
8 File Program”) as established by the IRS pursuant
9 to public rulemaking and set forth in the Federal
10 Register, Vol. 67, No. 213, Monday, November 4,
11 2002, pages 67247–67251, and in implementing
12 agreements and governing rules and requirements
13 between the IRS and the tax software and electronic
14 industry between 2003 and 2015, has been success-
15 ful and significant in the efforts of the Federal Gov-
16 ernment to increase the electronic filing of individual
17 income tax returns of low and moderate income tax-
18 payers.

19 (2) By the end of the current tax return filing
20 season more than 45,000,000 Federal individual in-
21 come tax returns will have been prepared and filed
22 electronically for free over the life of the IRS Free
23 File program.

24 (3) The IRS Free File program offers Federal
25 individual income tax return preparation and elec-
26 tronic filing services to more than 70 percent of tax-

1 payers, approximately 100,000,000 taxpayers at the
2 end of the current tax filing period, with tax soft-
3 ware and electronic filing provided at no cost to the
4 taxpayers who use the service or to the Federal Gov-
5 ernment from tax software and electronic filing com-
6 panies participating in the program.

7 (4) By the end of the current tax return filing
8 season, it is estimated that the IRS Free File pro-
9 gram will have saved taxpayers approximately
10 \$1,300,000,000 and will have saved the Federal
11 Government about \$125,000,000 in processing costs.

12 (5) In addition to the IRS Free File Program,
13 the Internal Revenue Service also provides Taxpayer
14 Assistance Centers, Tax Counseling for the Elderly,
15 and Volunteer Income Tax Assistance (VITA) pro-
16 grams. Each of these programs represent important
17 sources of taxpayer assistance and provide taxpayer
18 services through different modalities to serve low
19 and moderate income taxpayers.

20 **SEC. 3. FREE FILE PROGRAM.**

21 (a) The Secretary of the Treasury, or the Secretary's
22 delegate, shall continue to operate the IRS Free File Pro-
23 gram as established by the Internal Revenue Service and
24 published in the Federal Register on November 4, 2002

1 (67 Fed. Reg. 67247), including any subsequent agree-
2 ments and governing rules established pursuant thereto.

3 (b) The IRS Free File Program shall continue to pro-
4 vide free commercial-type online individual income tax
5 preparation and electronic filing services to the lowest 70
6 percent of taxpayers by income. The number of taxpayers
7 eligible to receive such services each year shall be cal-
8 culated by the Internal Revenue Service annually based
9 on prior year aggregate taxpayer adjusted gross income
10 data.

11 (c) In addition to the services described in subsection
12 (b), and in the same manner, the IRS Free File Program
13 shall continue to make available to all taxpayers (without
14 regard to income) a basic, online electronic fillable forms
15 utility.

16 (d) The IRS Free File Program shall continue to
17 work cooperatively with the private sector to provide the
18 free individual income tax preparation and the electronic
19 filing services described in subsections (b) and (c).

20 (e) The IRS Free File Program shall work coopera-
21 tively with State government agencies to enhance and ex-
22 pand the use of the program to provide needed benefits
23 to the taxpayer while reducing the cost of processing re-
24 turns.

1 (f) Nothing in this Act is intended to impact the con-
2 tinuity of services provided under Taxpayer Assistance
3 Centers, Tax Counseling for the Elderly, and Volunteer
4 Income Tax Assistance programs.

5 **SEC. 4. INNOVATIONS.**

6 (a) The Secretary of the Treasury, or the Secretary's
7 delegate, shall work with the private sector through the
8 IRS Free File Program to identify and implement, con-
9 sistent with applicable law, innovative new program fea-
10 tures to improve and simplify the taxpayer's experience
11 with completing and filing individual income tax returns
12 in voluntary compliance.

13 (b) The Internal Revenue Service, and members of
14 the tax software and electronic industry with whom the
15 Internal Revenue Service works through the Free File
16 Program, shall support and promote improvements within
17 the program by mutually testing, piloting, and offering in-
18 novative solutions to—

- 19 (1) simplify taxpayer compliance with the inter-
20 nal revenue laws,
21 (2) reduce taxpayer compliance burdens,
22 (3) increase individual income tax return accu-
23 racy through financial data authentication,

- 1 (4) strengthen the tax system against existing
- 2 and emerging fraud and threats of fraud through cy-
- 3 bersecurity collaboration,
- 4 (5) avoid duplication of effort in the tax system,
- 5 (6) simplify the tax system,
- 6 (7) maximize the use of electronic technology,
- 7 and
- 8 (8) reduce information reporting burdens.

