

114TH CONGRESS
2D SESSION

H. R. 4970

To amend the Internal Revenue Code of 1986 to restrict the use of prepaid debit cards in the issuance of tax refunds.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2016

Mr. SALMON introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to restrict the use of prepaid debit cards in the issuance of tax refunds.

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 “Individual Refund Se-
5 curity Act”.

6 **SEC. 2. RESTRICTION ON USE OF PREPAID DEBIT CARDS IN**
7 **ISSUING TAX REFUNDS.**

8 (a) IN GENERAL.—Section 6402 of the Internal Rev-
9 enue Code of 1986 is amended by adding at the end the
10 following new subsection:

1 “(n) IN GENERAL.—In the case of a refund of over-
2 payment for any taxable year, such refund may be made
3 to a prepaid debit card only if—

4 “(1) the identity of the account holder has been
5 verified by an officer or employee of the Department
6 of the Treasury, and

7 “(2) such refund is made not earlier than the
8 date which is 21 days after the date on which the
9 return of tax for such taxable year is filed.

10 The verification under paragraph (1) shall be conducted
11 in the same manner as, prior to the date of the enactment
12 of this subsection, employees of the Department of the
13 Treasury verified the identity of account holders who there
14 was reason to suspect had been the victim of identity
15 theft.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to refunds of overpayments with
18 respect to taxable years beginning after December 31,
19 2016.

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