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115TH CONGRESS
2D SESSION

H. R. 5444

To amend the Internal Revenue Code of 1986 to modernize and improve the Internal Revenue Service, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 10, 2018

Ms. JENKINS of Kansas (for herself and Mr. LEWIS of Georgia) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To amend the Internal Revenue Code of 1986 to modernize and improve the Internal Revenue Service, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; ETC.

(a) SHORT TITLE.—This Act may be cited as the ''Taxpayer First Act''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment

to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; etc.

TITLE I—INDEPENDENT APPEALS PROCESS

Sec. 101. Establishment of Internal Revenue Service Independent Office of Appeals.

TITLE II—IMPROVED SERVICE

Sec. 201. Comprehensive customer service strategy.
Sec. 202. IRS Free File Program.
Sec. 203. Low-income exception for payments otherwise required in connection with a submission of an offer-in-compromise.

TITLE III—SENSIBLE ENFORCEMENT

Sec. 301. Internal Revenue Service seizure requirements with respect to structuring transactions.
Sec. 302. Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.
Sec. 303. Clarification of equitable relief from joint liability.
Sec. 304. Modification of procedures for issuance of third-party summons.
Sec. 305. Establishment of income threshold for referral to private debt collection.
Sec. 306. Reform of notice of contact of third parties.
Sec. 307. Modification of authority to issue designated summons.
Sec. 308. Limitation on access of non-Internal Revenue Service employees to returns and return information.

TITLE IV—ORGANIZATIONAL MODERNIZATION

Sec. 401. Modification of title of Commissioner of Internal Revenue and related officials.
Sec. 402. Office of the National Taxpayer Advocate.
Sec. 403. Elimination of IRS Oversight Board.
Sec. 404. Modernization of Internal Revenue Service organizational structure.

TITLE V—TAX COURT

Sec. 501. Disqualification of judge or magistrate judge of the Tax Court.
Sec. 502. Opinions and judgments.
Sec. 503. Title of special trial judge changed to magistrate judge of the Tax Court.
Sec. 504. Repeal of deadwood related to Board of Tax Appeals.

TITLE I—INDEPENDENT APPEALS PROCESS

SEC. 101. ESTABLISHMENT OF INTERNAL REVENUE SERVICE INDEPENDENT OFFICE OF APPEALS.

(a) IN GENERAL.—Section 7803 is amended by adding at the end the following new subsection:

''(e) INDEPENDENT OFFICE OF APPEALS.—

''(1) ESTABLISHMENT.—There is established in the Internal Revenue Service an office to be known as the 'Internal Revenue Service Independent Office of Appeals'.

''(2) CHIEF OF APPEALS.—

''(A) IN GENERAL.—The Internal Revenue Service Independent Office of Appeals shall be under the supervision and direction of an official to be known as the 'Chief of Appeals'. The Chief of Appeals shall report directly to the Administrator of the Internal Revenue Service and shall be entitled to compensation at the same rate as the highest rate of basic pay established for the Senior Executive Service under section 5382 of title 5, United States Code.

''(B) APPOINTMENT.—The Chief of Appeals shall be appointed by the Administrator of the Internal Revenue Service without regard to

the provisions of title 5, United States Code, relating to appointments in the competitive service or the Senior Executive Service.

''(C) QUALIFICATIONS.—An individual appointed under subparagraph (B) shall have experience and expertise in—

''(i) administration of, and compliance with, Federal tax laws,

''(ii) a broad range of compliance cases, and

''(iii) management of large service organizations.

''(3) PURPOSES AND DUTIES OF OFFICE.—It shall be the function of the Internal Revenue Service Independent Office of Appeals to resolve Federal tax controversies without litigation on a basis which—

''(A) is fair and impartial to both the Government and the taxpayer,

''(B) promotes a consistent application and interpretation of, and voluntary compliance with, the Federal tax laws, and

''(C) enhances public confidence in the integrity and efficiency of the Internal Revenue Service.

''(4) RIGHT OF APPEAL.—The resolution process described in paragraph (3) shall be generally available to all taxpayers.

''(5) LIMITATION ON DESIGNATION OF CASES AS NOT ELIGIBLE FOR REFERRAL TO INDEPENDENT OFFICE OF APPEALS.—

''(A) IN GENERAL.—If any taxpayer which is in receipt of notice of deficiency authorized under section 6212 requests referral to the Internal Revenue Service Independent Office of Appeals and such request is denied, the Administrator of the Internal Revenue Service shall provide such taxpayer a written notice which—

''(i) provides a detailed description of the facts involved, the basis for the decision to deny the request, and a detailed explanation of how the basis of such decision applies to such facts, and

''(ii) describes the procedures proscribed under subparagraph (C) for protesting the decision to deny the request.

''(B) REPORT TO CONGRESS.—The Administrator of the Internal Revenue Service shall submit a written report to Congress on an annual basis which includes the number of re-

quests described in subparagraph (A) which were denied and the reasons (described by category) that such requests were denied.

''(C) PROCEDURES FOR PROTESTING DENIAL OF REQUEST.—The Administrator of the Internal Revenue Service shall prescribe procedures for protesting to the Administrator of the Internal Revenue Service (personally and not through any delegate) a denial of a request described in subparagraph (A).

''(D) NOT APPLICABLE TO FRIVOLOUS POSITIONS.—This paragraph shall not apply to a request for referral to the Internal Revenue Service Independent Office of Appeals which is denied on the basis that the issue involved is a frivolous position (within the meaning of section 6702(c)).

''(6) STAFF.—

''(A) IN GENERAL.—All personnel in the Internal Revenue Service Independent Office of Appeals shall report to the Chief of Appeals.

''(B) ACCESS TO STAFF OF OFFICE OF THE CHIEF COUNSEL.—The Chief of Appeals shall have authority to obtain legal assistance and advice from the staff of the Office of the

Chief Counsel. The Chief Counsel shall ensure that such assistance and advice is provided by staff of the Office of the Chief Counsel who were not involved in the case with respect to which such assistance and advice is sought and who are not involved in preparing such case for litigation.

''(7) ACCESS TO CASE FILES.—

''(A) IN GENERAL.—In the case of any specified taxpayer with respect to which a conference with the Internal Revenue Service Independent Office of Appeals has been scheduled, the Chief of Appeals shall ensure that such taxpayer is provided access to the nonprivileged portions of the case file on record regarding the disputed issues (other than documents provided by the taxpayer to the Internal Revenue Service) not later than 10 days before the date of such conference.

''(B) TAXPAYER ELECTION TO EXPEDITE CONFERENCE.—If the taxpayer so elects, subparagraph (A) shall be applied by substituting 'the date of such conference' for '10 days before the date of such conference'.

''(C) SPECIFIED TAXPAYER.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'specified taxpayer' means—

''(I) in the case of any taxpayer who is a natural person, a taxpayer whose adjusted gross income does not exceed $400,000, and

''(II) in the case of any other taxpayer, a taxpayer whose gross receipts do not exceed $5,000,000.

''(ii) AGGREGATION RULE.—Rules similar to the rules of section 448(c)(2) shall apply for purposes of clause (i)(II).''.

(b) CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking ''Internal Revenue Service Office of Appeals'' and inserting ''Internal Revenue Service Independent Office of Appeals'':

(A) Section 6015(c)(4)(B)(ii)(I).

(B) Section 6320(b)(1).

(C) Subsections (b)(1) and (d)(3) of section 6330.

(D) Section 6603(d)(3)(B).

(E) Section 6621(c)(2)(A)(i).

(F) Section 7122(e)(2).

(G) Subsections (a), (b)(1), (b)(2), and (c)(1) of section 7123.

(H) Subsections (c)(7)(B)(i), and (g)(2)(A) of section 7430.

(I) Section 7522(b)(3).

(J) Section 7612(c)(2)(A).

(2) Section 7430(c)(2) is amended by striking ''Internal Revenue Service Office of Appeals'' each place it appears and inserting ''Internal Revenue Service Independent Office of Appeals''.

(3) The heading of section 6330(d)(3) is amended by inserting ''INDEPENDENT'' after ''IRS''.

(c) OTHER REFERENCES.—Any reference in any provision of law, or regulation or other guidance, to the Internal Revenue Service Office of Appeals shall be treated as a reference to the Internal Revenue Service Independent Office of Appeals.

(d) SAVINGS PROVISIONS.—Rules similar to the rules of paragraphs (2) through (6) of section 1001(b) of the Internal Revenue Service Restructuring and Reform Act of 1998 shall apply for purposes of this section (and the amendments made by this section).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) ACCESS TO CASE FILES.—Section 7803(e)(7) of the Internal Revenue Code of 1986, as added by subsection (a), shall apply to conferences occurring after the date which is 1 year after the date of the enactment of this Act.

TITLE II—IMPROVED SERVICE

SEC. 201. COMPREHENSIVE CUSTOMER SERVICE STRATEGY.

(a) IN GENERAL.—Not later than the date which is 1 year after the date of the enactment of this Act, the Secretary of the Treasury, after consultation with the National Taxpayer Advocate, shall submit to Congress a written comprehensive customer service strategy for the Internal Revenue Service. Such strategy shall include—

(1) a plan to provide assistance to taxpayers that is secure, designed to meet reasonable taxpayer expectations, and adopts appropriate best practices of customer service provided in the private sector, including online services, telephone call back services, and training of employees providing customer services;

(2) a thorough assessment of the services that the Internal Revenue Service can co-locate with other Federal services or offer as self-service options;

(3) proposals to improve Internal Revenue Service customer service in the short term (the current and following fiscal year), medium term (approximately 3 to 5 fiscal years), and long term (approximately 10 fiscal years);

(4) a plan to update guidance and training materials for customer service employees of the Internal Revenue Service, including the Internal Revenue Manual, to reflect such strategy; and

(5) identified metrics and benchmarks for quantitatively measuring the progress of the Internal Revenue Service in implementing such strategy.

(b) UPDATED GUIDANCE AND TRAINING MATERIALS.—Not later than 2 years after the date of the enactment of this Act, the Secretary of the Treasury shall make available the updated guidance and training materials described in subsection (a)(4) (including the Internal Revenue Manual). Such updated guidance and training materials (including the Internal Revenue Manual) shall be written in a manner so as to be easily understood by cus-

tomer service employees of the Internal Revenue Service and shall provide clear instructions.

SEC. 202. IRS FREE FILE PROGRAM.

(a) IN GENERAL.—

(1) The Secretary of the Treasury, or the Secretary's delegate, shall continue to operate the IRS Free File Program as established by the Internal Revenue Service and published in the Federal Register on November 4, 2002 (67 Fed. Reg. 67247), including any subsequent agreements and governing rules established pursuant thereto.

(2) The IRS Free File Program shall continue to provide free commercial-type online individual income tax preparation and electronic filing services to the lowest 70 percent of taxpayers by adjusted gross income. The number of taxpayers eligible to receive such services each year shall be calculated by the Internal Revenue Service annually based on prior year aggregate taxpayer adjusted gross income data.

(3) In addition to the services described in paragraph (2), and in the same manner, the IRS Free File Program shall continue to make available to all taxpayers (without regard to income) a basic, online electronic fillable forms utility.

(4) The IRS Free File Program shall continue to work cooperatively with the private sector to provide the free individual income tax preparation and the electronic filing services described in paragraphs (2) and (3).

(5) The IRS Free File Program shall work cooperatively with State government agencies to enhance and expand the use of the program to provide needed benefits to the taxpayer while reducing the cost of processing returns.

(b) INNOVATIONS.—The Secretary of the Treasury, or the Secretary's delegate, shall work with the private sector through the IRS Free File Program to identify and implement, consistent with applicable law, innovative new program features to improve and simplify the taxpayer's experience with completing and filing individual income tax returns through voluntary compliance.

SEC. 203. LOW-INCOME EXCEPTION FOR PAYMENTS OTHERWISE REQUIRED IN CONNECTION WITH A SUBMISSION OF AN OFFER-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122(c) is amended by adding at the end the following new paragraph:

''(3) EXCEPTION FOR LOW-INCOME TAXPAYERS.—Paragraph (1), and any user fee otherwise required in connection with the submission of an

offer-in-compromise, shall not apply to any offer-in-compromise with respect to a taxpayer who is an individual with adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 250 percent of the applicable poverty level (as determined by the Secretary).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to offers-in-compromise submitted after the date of the enactment of this Act.

TITLE III—SENSIBLE ENFORCEMENT

SEC. 301. INTERNAL REVENUE SERVICE SEIZURE REQUIREMENTS WITH RESPECT TO STRUCTURING TRANSACTIONS.

Section 5317(c)(2) of title 31, United States Code, is amended—

(1) by striking ''Any property'' and inserting the following:

''(A) IN GENERAL.—Any property''; and

(2) by adding at the end the following:

''(B) INTERNAL REVENUE SERVICE SEIZURE REQUIREMENTS WITH RESPECT TO STRUCTURING TRANSACTIONS.—

"(i) PROPERTY DERIVED FROM AN ILLEGAL SOURCE.—Property may only be seized by the Internal Revenue Service pursuant to subparagraph (A) by reason of a claimed violation of section 5324 if the property to be seized was derived from an illegal source or the funds were structured for the purpose of concealing the violation of a criminal law or regulation other than section 5324.

"(ii) NOTICE.—Not later than 30 days after property is seized by the Internal Revenue Service pursuant to subparagraph (A), the Internal Revenue Service shall—

"(I) make a good faith effort to find all persons with an ownership interest in such property, and

"(II) provide each such person with a notice of the seizure and of the person's rights under clause (iv).

"(iii) EXTENSION OF NOTICE UNDER CERTAIN CIRCUMSTANCES.—The Internal Revenue Service may apply to a court of competent jurisdiction for one 30-day ex-

tension of the notice requirement under clause (ii) if the Internal Revenue Service can establish probable cause of an imminent threat to national security or personal safety necessitating such extension.

''(iv) POST-SEIZURE HEARING.—If a person with a property interest in property seized pursuant to subparagraph (A) by the Internal Revenue Service requests a hearing by a court of competent jurisdiction within 30 days after the date on which notice is provided under subclause (ii), such property shall be returned unless the court holds an adversarial hearing and finds within 30 days of such request (or such longer period as the court may provide, but only on request of an interested party) that there is probable cause to believe that there is a violation of section 5324 involving such property and probable cause to believe that the property to be seized was derived from an illegal source or the funds were structured for the purpose of concealing the violation of a criminal

law or regulation other than section 5324.''.

SEC. 302. EXCLUSION OF INTEREST RECEIVED IN ACTION TO RECOVER PROPERTY SEIZED BY THE INTERNAL REVENUE SERVICE BASED ON STRUCTURING TRANSACTION.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting before section 140 the following new section:

''SEC. 139G. INTEREST RECEIVED IN ACTION TO RECOVER PROPERTY SEIZED BY THE INTERNAL REVENUE SERVICE BASED ON STRUCTURING TRANSACTION.

''Gross income shall not include any interest received from the Federal Government in connection with an action to recover property seized by the Internal Revenue Service pursuant to section 5317(c)(2) of title 31, United States Code, by reason of a claimed violation of section 5324 of such title.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting before the item relating to section 140 the following new item:

''Sec. 139G. Interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest received on or after the date of the enactment of this Act.

SEC. 303. CLARIFICATION OF EQUITABLE RELIEF FROM JOINT LIABILITY.

(a) IN GENERAL.—Section 6015 is amended—

(1) in subsection (e), by adding at the end the following new paragraph:

''(7) STANDARD AND SCOPE OF REVIEW.—Any review of a determination made under this section shall be reviewed de novo by the Tax Court and shall be based upon—

''(A) the administrative record established at the time of the determination, and

''(B) any additional newly discovered or previously unavailable evidence.''; and

(2) by amending subsection (f) to read as follows:

''(f) EQUITABLE RELIEF.—

''(1) IN GENERAL.—Under procedures prescribed by the Secretary, if—

''(A) taking into account all the facts and circumstances, it is inequitable to hold the individual liable for any unpaid tax or any deficiency (or any portion of either), and

''(B) relief is not available to such individual under subsection (b) or (c),

the Secretary may relieve such individual of such liability.

''(2) LIMITATION.—A request for equitable relief under this subsection may be made with respect to any portion of any liability that—

''(A) has not been paid, provided that such request is made before the expiration of the applicable period of limitation under section 6502, or

''(B) has been paid, provided that such request is made during the period in which the individual could submit a timely claim for refund or credit of such payment.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to petitions or requests filed or pending on or after the date of the enactment of this Act.

SEC. 304. MODIFICATION OF PROCEDURES FOR ISSUANCE OF THIRD-PARTY SUMMONS.

(a) IN GENERAL.—Section 7609(f) is amended by adding at the end the following flush sentence:

''The Secretary shall not issue any summons described in the preceding sentence unless the information sought to be obtained is narrowly tailored to information that per-

tains to the failure (or potential failure) of the person or group or class of persons referred to in paragraph (2) to comply with one or more provisions of the internal revenue law which have been identified for purposes of such paragraph.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to summonses served after the date of the enactment of this Act.

SEC. 305. ESTABLISHMENT OF INCOME THRESHOLD FOR REFERRAL TO PRIVATE DEBT COLLECTION.

(a) IN GENERAL.—Section 6306(d)(3) is amended by striking ''or'' at the end of subparagraph (C), by adding ''or'' at the end of subparagraph (D), and by inserting after subparagraph (D) the following new subparagraph:

''(E) in the case of a tax receivable which is identified by the Secretary (or the Secretary's delegate) during the period beginning on the date which is 180 days after the date of the enactment of this Act and ending on December 31, 2019, a taxpayer who is an individual with adjusted gross income, as determined for the most recent taxable year for which such information is available, which does not exceed 250 percent of the applicable poverty level (as determined by the Secretary),''.

(b) EFFECTIVE DATE.—The amendments made by this subsection shall apply to tax receivables identified by the Secretary (or the Secretary's delegate) after the date which is 180 days after the date of the enactment of this Act.

SEC. 306. REFORM OF NOTICE OF CONTACT OF THIRD PARTIES.

(a) IN GENERAL.—Section 7602(c)(1) is amended to read as follows:

"(1) GENERAL NOTICE.—An officer or employee of the Internal Revenue Service may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer unless such contact occurs during a period (not greater than 1 year) which is specified in a notice which—

"(A) informs the taxpayer that contacts with persons other than the taxpayer are intended to be made during such period, and

"(B) except as otherwise provided by the Secretary, is provided to the taxpayer not later than 45 days before the beginning of such period.

Nothing in the preceding sentence shall prevent the issuance of notices to the same taxpayer with respect

to the same tax liability with periods specified therein that, in the aggregate, exceed 1 year. A notice shall not be issued under this paragraph unless there is an intent at the time such notice is issued to contact persons other than the taxpayer during the period specified in such notice. The preceding sentence shall not prevent the issuance of a notice if the requirement of such sentence is met on the basis of the assumption that the information sought to be obtained by such contact will not be obtained by other means before such contact.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to notices provided, and contacts of persons made, after the date which is 45 days after the date of the enactment of this Act.

SEC. 307. MODIFICATION OF AUTHORITY TO ISSUE DESIGNATED SUMMONS.

(a) IN GENERAL.—Clause (i) of section 6503(j)(2)(A) is amended to read as follows:

''(i) the issuance of such summons is preceded by a review and written approval of such issuance by the Administrator of the relevant operating division of the Internal Revenue Service and the Chief Counsel which—

''(I) states facts clearly establishing that the Secretary has made reasonable requests for the information that is the subject of the summons, and

''(II) is attached to such summons,''.

(b) ESTABLISHMENT THAT REASONABLE REQUESTS FOR INFORMATION WERE MADE.—Subsection (j) of section 6503 is amended by adding at the end the following new paragraph:

''(4) ESTABLISHMENT THAT REASONABLE REQUESTS FOR INFORMATION WERE MADE.—In any court proceeding described in paragraph (3), the Secretary shall establish that reasonable requests were made for the information that is the subject of the summons.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to summonses issued after the date of the enactment of this Act.

SEC. 308. LIMITATION ON ACCESS OF NON-INTERNAL REVENUE SERVICE EMPLOYEES TO RETURNS AND RETURN INFORMATION.

(a) IN GENERAL.—Section 7602 is amended by adding at the end the following new subsection:

''(f) LIMITATION ON ACCESS OF PERSONS OTHER THAN INTERNAL REVENUE SERVICE OFFICERS AND EMPLOYEES.—The Secretary shall not, under the authority of section 6103(n), provide any books, papers, records, or other data obtained pursuant to this section to any person authorized under section 6103(n), except when such person requires such information for the sole purpose of providing expert evaluation and assistance to the Internal Revenue Service. No person other than an officer or employee of the Internal Revenue Service or the Office of Chief Counsel may, on behalf of the Secretary, question a witness under oath whose testimony was obtained pursuant to this section.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by this section shall take effect on the date of the enactment of this Act.

(2) APPLICATION TO CONTRACTS IN EFFECT.—The amendment made by this section shall apply to any contract in effect under section 6103(n) of the Internal Revenue Code of 1986, pursuant to temporary Treasury Regulation section 301.7602–1T proposed in Internal Revenue Bulletin 2014–28, Treasury Regulation section 301.7602–1(b)(3), or

any similar or successor regulation, that is in effect on the date of the enactment of this Act.

TITLE IV—ORGANIZATIONAL MODERNIZATION

SEC. 401. MODIFICATION OF TITLE OF COMMISSIONER OF INTERNAL REVENUE AND RELATED OFFICIALS.

(a) IN GENERAL.—Section 7803(a)(1)(A) is amended by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''.

(b) CONFORMING AMENDMENTS RELATED TO SECTION 7803.—

(1) Subsections (a)(1)(B), (a)(1)(C), (b)(3), (c)(1)(B)(i), and (c)(1)(B)(ii) of section 7803 are each amended by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''.

(2) Section 7803(b)(2)(A) is amended by striking ''Commissioner's'' and inserting ''Administrator's''.

(3) Subsections (a)(1)(D), (a)(1)(E), (a)(2), (a)(3), (a)(4), (b)(2)(A), (b)(2)(D), (b)(3), (c)(2)(B)(iii), (c)(2)(C)(iv), and (c)(3) of section 7803, as amended by the preceding paragraphs of this subsection, are amended by striking ''Commis-

sioner'' each place it appears therein and inserting ''Administrator''.

(4) The heading of section 7803 is amended by striking ''**COMMISSIONER OF INTERNAL REVENUE**'' and inserting ''**ADMINISTRATOR OF THE INTERNAL REVENUE SERVICE**''.

(5) The heading of section 7803(a) is amended by striking ''COMMISSIONER OF INTERNAL REVENUE'' and inserting ''ADMINISTRATOR OF THE INTERNAL REVENUE SERVICE''.

(6) The heading of section 7803(c)(3) is amended by striking ''COMMISSIONER'' and inserting ''ADMINISTRATOR''.

(7) The table of sections for subchapter A of chapter 80 is amended by striking the item relating to section 7803 and inserting the following new item:

''Sec. 7803. Administrator of the Internal Revenue Service; other officials.''.

(c) OTHER CONFORMING AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.—

(1) Section 6307(c) is amended by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''.

(2) Section 6673(a)(2)(B) is amended by striking ''Commissioner of Internal Revenue'' and insert-

ing ''Administrator of the Internal Revenue Service''.

(3) Section 6707(c) is amended by striking ''Commissioner'' and inserting ''Administrator''.

(4) Section 6707A(d) is amended—

(A) in paragraph (1), by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''; and

(B) in paragraph (3), by striking ''Commissioner'' each place it appears and inserting ''Administrator''.

(5)(A) Subsections (a) and (g) of section 7345 are each amended by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''.

(B) Section 7345(g) is amended—

(i) by striking ''Deputy Commissioner for Services and Enforcement'' and inserting ''Deputy Administrator for Services and Enforcement''; and

(ii) by striking ''Commissioner of an operating division'' and inserting ''Administrator of an operating division''.

(C) Subsections (c)(1), (d) and (e)(1) of section 7345 are each amended by striking ''Commissioner'' each place it appears therein and inserting ''Administrator''.

(6) Section 7435(e) is amended by striking ''Commissioner'' each place it appears therein and inserting ''Administrator''.

(7) Section 7409(a)(2)(B) is amended by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''.

(8) Section 7608(c) is amended—

(A) in paragraph (1), by striking ''the Commissioner of Internal Revenue (or, if designated by the Commissioner, the Deputy Commissioner or an Assistant Commissioner of Internal Revenue)'' and inserting ''the Administrator of the Internal Revenue Service (or, if designated by the Administrator, the Deputy Administrator or an Assistant Administrator of the Internal Revenue Service)''; and

(B) in paragraph (2) by striking ''Commissioner'' and inserting ''Administrator''.

(9) Section 7611(b)(3)(C) is amended by striking ''regional commissioner'' and inserting ''regional administrator''.

(10) Section 7701(a)(13) is amended to read as follows:

''(13) ADMINISTRATOR.—The term 'Administrator', except where the context clearly indicates otherwise, means the Administrator of the Internal Revenue Service.''.

(11)(A) Section 7804(a) is amended by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''.

(B) Subsections (a), (b)(1), and (b)(2) of section 7804(a), as amended by subparagraph (A), are each amended by striking ''Commissioner'' each place it appears therein and inserting ''Administrator''.

(12) Section 7811(c)(1) is amended by striking ''the Commissioner of Internal Revenue, or the Deputy Commissioner of Internal Revenue'' and inserting ''the Administrator of the Internal Revenue Service, or the Deputy Commissioner of the Internal Revenue Service''.

(d) AMENDMENTS TO SECTION 8D OF THE INSPECTOR GENERAL ACT OF 1978.—

(1) Subsections (g)(2), (k)(1)(C), (l)(1), and (l)(2)(A) of section 8D of the Inspector General Act of 1978 are each amended by striking ''Commissioner of Internal Revenue'' and inserting ''Administrator of the Internal Revenue Service''.

(2) Section 8D(l)(2)(B) of such Act is amended by striking ''Commissioner'' each place it appears therein and inserting ''Administrator''.

(e) OTHER REFERENCES.—Any reference in any provision of law, or regulation or other guidance, to the Commissioner of Internal Revenue, or to any Deputy or Assistant Commissioner of Internal Revenue, or to a Commissioner of any division or region of the Internal Revenue Service, shall be treated as a reference to the Administrator of the Internal Revenue Service, or to the appropriate Deputy or Assistant Administrator of the Internal Revenue Service, or to the appropriate Administrator of such division or region, respectively.

(f) CONTINUITY.—In the case of any individual appointed by the President, by and with the advice and consent of the Senate, as Commissioner of Internal Revenue under section 7803(a)(1)(A) of the Internal Revenue Code of 1986, and serving in such position immediately before the date of the enactment of this Act, the amendments

made by this section shall be construed as changing the title of such individual and shall not be construed to—

(1) require the reappoint of such individual under such section; or

(2) alter the remaining term of such person under section 7803(a)(1)(B).

SEC. 402. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.

(a) TAXPAYER ADVOCATE DIRECTIVES.—

(1) IN GENERAL.—Section 7803(c) is amended by adding at the end the following new paragraph:

''(5) TAXPAYER ADVOCATE DIRECTIVES.—In the case of any Taxpayer Advocate Directive issued by the National Taxpayer Advocate pursuant to a delegation of authority from the Administrator of the Internal Revenue Service—

''(A) the Administrator or a Deputy Administrator shall modify, rescind, or ensure compliance with such directive not later than 90 days after the issuance of such directive, and

''(B) in the case of any directive which is modified or rescinded by a Deputy Administrator, the National Taxpayer Advocate may (not later than 90 days after such modification or rescission) appeal to the Administrator and the Administrator shall (not later than 90 days

after such appeal is made) ensure compliance with such directive as issued by the National Taxpayer Advocate or provide the National Taxpayer Advocate with a detailed description of the reasons for any modification or rescission made or upheld by the Administrator pursuant to such appeal.''.

(2) REPORT TO CERTAIN COMMITTEES OF CONGRESS REGARDING DIRECTIVES.—Section 7803(c)(2)(B)(ii) is amended by redesignating subclauses (VIII) through (XI) as subclauses (IX) through (XII), respectively, and by inserting after subclause (VII) the following new subclause:

''(VIII) identify any Taxpayer Advocate Directive which was not honored by the Internal Revenue Service in a timely manner, as specified under paragraph (5);''.

(b) NATIONAL TAXPAYER ADVOCATE ANNUAL REPORTS TO CONGRESS.—

(1) INCLUSION OF MOST SERIOUS TAXPAYER PROBLEMS.—Section 7803(c)(2)(B)(ii)(III) is amended by striking ''at least 20'' and inserting ''the 10''.

(2) COORDINATION WITH TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Section 7803(c)(2) is amended by adding at the end the following new subparagraph:

''(E) COORDINATION WITH TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION.—Before beginning any research or study, the National Taxpayer Advocate shall coordinate with the Treasury Inspector General for Tax Administration to ensure that the National Taxpayer Advocate does not duplicate any action that the Treasury Inspector General for Tax Administration has already undertaken or has a plan to undertake.''.

(3) STATISTICAL SUPPORT.—

(A) IN GENERAL.—Section 6108 is amended by adding at the end the following new subsection:

''(d) STATISTICAL SUPPORT FOR NATIONAL TAXPAYER ADVOCATE.—The Secretary shall, upon request of the National Taxpayer Advocate, provide the National Taxpayer Advocate with statistical support in connection with the preparation by the National Taxpayer Advocate of the annual report described in section 7803(c)(2)(B)(ii). Such statistical support shall include

statistical studies, compilations, and the review of information provided by the National Taxpayer Advocate for statistical validity and sound statistical methodology.''.

(B) DISCLOSURE OF REVIEW.—Section 7803(c)(2)(B)(ii), as amended by subsection (a), is amended by redesignating subclause (XII) as subclause (XIII) and by inserting after subclause (XI) the following new subclause:

''(XII) with respect to any statistical information included in such report, include a statement of whether such statistical information was reviewed or provided by the Secretary under section 6108(d) and, if so, whether the Secretary determined such information to be statistically valid and based on sound statistical methodology.''.

(C) CONFORMING AMENDMENT.—Section 7803(c)(2)(B)(iii) is amended by adding at the end the following: ''The preceding sentence shall not apply with respect to statistical information provided to the Secretary for review, or received from the Secretary, under section 6108(d).''.

(c) SALARY OF NATIONAL TAXPAYER ADVOCATE.—Section 7803(c)(1)(B)(i) is amended by striking ", or, if the Secretary of the Treasury so determines, at a rate fixed under section 9503 of such title".

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) SALARY OF NATIONAL TAXPAYER ADVOCATE.—The amendment made by subsection (c) shall apply to compensation paid to individuals appointed as the National Taxpayer Advocate after the date of the enactment of this Act.

SEC. 403. ELIMINATION OF IRS OVERSIGHT BOARD.

(a) IN GENERAL.—Subchapter A of chapter 80 is amended by striking section 7802 (and by striking the item relating to such section in the table of sections of such subchapter).

(b) CONFORMING AMENDMENTS.—

(1) Section 4946(c) is amended by adding "or" at the end of paragraph (5), by striking ", or" at the end of paragraph (6) and inserting a period, and by striking paragraph (7).

(2) Section 6103(h) is amended by striking paragraph (6).

(3) Section 7803(a) is amended by striking paragraph (4).

(4) Section 7803(c)(1)(B)(ii) is amended by striking ''and the Oversight Board''.

(5) Section 7803(c)(2)(B)(iii) is amended by striking ''the Oversight Board,''.

(6) Section 8D of the Inspector General Act of 1978 is amended—

(A) in subsections (g)(2) and (h), by striking ''the Internal Revenue Service Oversight Board and'';

(B) in subsection (l)(1), by striking ''or the Internal Revenue Service Oversight Board''; and

(C) in subsection (l)(2), by striking ''and the Internal Revenue Service Oversight Board''.

SEC. 404. MODERNIZATION OF INTERNAL REVENUE SERVICE ORGANIZATIONAL STRUCTURE.

(a) IN GENERAL.—Not later than September 30, 2020, the Administrator of the Internal Revenue Service shall submit to Congress a comprehensive written plan to redesign the organization of the Internal Revenue Service. Such plan shall—

(1) ensure the successful implementation of the priorities specified by Congress in this Act;

(2) prioritize taxpayer services to ensure that all taxpayers easily and readily receive the assistance that they need;

(3) streamline the structure of the agency including minimizing the duplication of services and responsibilities within the agency;

(4) best position the Internal Revenue Service to combat cybersecurity and other threats to the Internal Revenue Service; and

(5) address whether the Criminal Investigation Division of the Internal Revenue Service should report directly to the Administrator.

(b) REPEAL OF RESTRICTION ON ORGANIZATIONAL STRUCTURE OF INTERNAL REVENUE SERVICE.—Paragraph (3) of section 1001(a) of the Internal Revenue Service Restructuring and Reform Act of 1998 shall cease to apply beginning 1 year after the date on which the Administrator of the Internal Revenue Service submits to Congress the plan described in subsection (a).

TITLE V—TAX COURT

SEC. 501. DISQUALIFICATION OF JUDGE OR MAGISTRATE JUDGE OF THE TAX COURT.

(a) IN GENERAL.—Part II of subchapter C of chapter 76 is amended by adding at the end the following new section:

"SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE JUDGE OF THE TAX COURT.

''Section 455 of title 28, United States Code, shall apply to judges and magistrate judges of the Tax Court and to proceedings of the Tax Court.''.

(b) CLERICAL AMENDMENT.—The table of sections for such part is amended by adding at the end the following new item:

''Sec. 7467. Disqualification of judge or magistrate judge of the Tax Court.''.

SEC. 502. OPINIONS AND JUDGMENTS.

(a) IN GENERAL.—Section 7459 is amended by striking all the precedes subsection (c) and inserting the following:

"SEC. 7459. OPINIONS AND JUDGMENTS.

''(a) REQUIREMENT.—An opinion upon any proceeding instituted before the Tax Court and a judgment thereon shall be made as quickly as practicable. The judgment shall be made by a judge in accordance with the

opinion of the Tax Court, and such judgment so made shall, when entered, be the judgment of the Tax Court.

''(b) INCLUSION OF FINDINGS OF FACT IN OPINION.—It shall be the duty of the Tax Court and of each division to include in its opinion or memorandum opinion upon any proceeding, its findings of fact. The Tax Court shall issue in writing all of its findings of fact, opinions, and memorandum opinions. Subject to such conditions as the Tax Court may by rule provide, the requirements of this subsection and of section 7460 are met if findings of fact or opinion are stated orally and recorded in the transcript of the proceedings.''.

(b) CONFORMING AMENDMENTS TO SECTION 7459.—

(1) Subsections (c), (d), (e), and (f) of section 7459 are each amended by striking ''decision'' each place it appears and inserting ''judgment''.

(2) The headings of subsections (c), (d), and (e) of section 7459 are each amended by striking ''DECISION'' and inserting ''JUDGMENT''.

(3) The item relating to section 7459 in the table of sections for part II of subchapter C of chapter 76 is amended to read as follows:

''Sec. 7459. Opinions and judgments.''.

(c) OTHER CONFORMING AMENDMENTS.—

(1) The following provisions are each amended by striking ''decision'' and inserting ''judgment'':

(A) Section 1313(a)(1).

(B) Section 6213(a).

(C) Section 6214(d).

(D) Section 6225(a)(2).

(E) Section 6226(g).

(F) Section 6228(a)(6).

(G) Subsections (a)(3)(B) and (c)(1)(A)(ii) of section 6230.

(H) Section 6247(d).

(I) Section 6252(e).

(J) Section 6404(h)(2)(C).

(K) Section 6503(a)(1).

(L) Section 6673(a)(1)(C).

(M) Subsections (c), (f), and (g) of section 6861.

(N) Section 6863(b)(3)(C).

(O) Section 7428(a).

(P) Section 7428(c)(1)(C)(i).

(Q) Section 7430(f)(3).

(R) Section 7436(c)(2).

(S) Section 7461(b)(2).

(T) Subsections (a)(4), (b), and (d) of section 7463.

(U) Subsections (a)(2)(B) and (b)(4) of section 7476.

(V) Section 7477(a).

(W) Section 7478(a)(2).

(X) Subsections (a)(2) and (c) of section 7479.

(2) The following provisions are each amended by striking ''decision'' each place it appears and inserting ''judgment'':

(A) Subsections (a) and (b)(3) of section 6215.

(B) Section 6226(h).

(C) Section 6247(e).

(D) Subsections (d) and (e) of section 6861.

(E) Section 6863(b)(2).

(F) Section 7422.

(G) Subsections (a) and (b) of section 7460.

(H) Subsections (a), (b), (c), and (d) of section 7463.

(I) Section 7482.

(J) Section 7483.

(K) Section 7485(b).

(L) Section 7481.

(3) Sections 7422 and 7482 are each amended by striking ''decisions'' each place it appears and inserting ''judgments''.

(4) Section 7430(f)(1) is amended by striking ''decision or'' both places it appears.

(5) Subsections (a) and (b) of section 7460 are each amended by striking ''report'' each place it appears and inserting ''opinion''.

(6) Section 7461(a) is amended—

(A) by striking ''reports'' and inserting ''opinions''; and

(B) by striking ''report'' and inserting ''opinion''.

(7) Section 7462 is amended by striking ''reports'' each place it appears and inserting ''opinions''.

(8) Section 7487(1) is amended by striking ''decisions'' and inserting ''judgments''.

(9) The headings of sections 6214(b), 7463(b), 7481(a), 7481(b), 7481(d), and 7485(b) are each amended by striking ''DECISIONS'' and inserting ''JUDGMENTS''.

(10) The headings of sections 6226(h), 6247(e), 6861(c), 6861(d), 7443A(c), 7481(a)(2), and

7481(a)(3) are each amended by striking ''DECISION'' and inserting ''JUDGMENT''.

(11) The headings of sections 6863(b)(2), 6863(b)(3), 7430(f)(3), and 7482(a)(2)(B) are each amended by striking ''DECISION'' and inserting ''JUDGMENT''.

(12) The heading of section 7436(c)(2) is amended by striking ''DECISIONS'' and inserting ''JUDGMENT''.

(13) The heading of section 7460(a) is amended by striking ''REPORTS'' and inserting ''OPINIONS''.

(14) The heading of section 7462 is amended by striking ''**REPORTS**'' and inserting ''**OPINIONS**''.

(15) The heading of subchapter D of chapter 76 is amended by striking ''**Decisions**'' and inserting ''**Judgments**''.

(16) The heading of section 7481 is amended by striking ''**DECISION**'' and inserting ''**JUDGMENT**''.

(17) The item relating to section 7462 in the table of sections for part II of subchapter C of chapter 76 is amended to read as follows:

''Sec. 7462. Publication of opinions.''.

(18) The item relating to subchapter D in the table of subchapters for chapter 76 is amended to read as follows:

"SUBCHAPTER D.—COURT REVIEW OF TAX COURT JUDGMENTS".

(19) The item relating to section 7481 in the table of sections for part III of subchapter D of chapter 76 is amended to read as follows:

"Sec. 7481. Date when Tax Court judgment becomes final.".

(d) CONTINUING EFFECT OF LEGAL DOCUMENTS.—All orders, decisions, reports, rules, permits, agreements, grants, contracts, certificates, licenses, registrations, privileges, and other administrative actions, in connection with the Tax Court, which are in effect at the time this section takes effect, or were final before the effective date of this section and are to become effective on or after the effective date of this section, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked in accordance with law by the Tax Court.

SEC. 503. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO MAGISTRATE JUDGE OF THE TAX COURT.

(a) IN GENERAL.—Section 7443A is amended—

(1) by striking "special trial judges" in subsections (a) and (e) and inserting "magistrate judges of the Tax Court";

(2) by striking ''special trial judges of the court'' in subsection (b) and inserting ''magistrate judges of the Tax Court''; and

(3) by striking ''special trial judge'' in subsections (c) and (d) and inserting ''magistrate judge of the Tax Court''.

(b) CONFORMING AMENDMENTS.—

(1) The heading of section 7443A is amended by striking ''**SPECIAL TRIAL JUDGES**'' and inserting ''**MAGISTRATE JUDGES OF THE TAX COURT**''.

(2) The heading of section 7443A(b) is amended by striking ''SPECIAL TRIAL JUDGES'' and inserting ''MAGISTRATE JUDGES OF THE TAX COURT''.

(3) The item relating to section 7443A in the table of sections for part I of subchapter C of chapter 76 is amended to read as follows:

''Sec. 7443A. Magistrate judges of the Tax Court.''.

(4) The heading of section 7448 is amended by striking ''**SPECIAL TRIAL JUDGES**'' and inserting ''**MAGISTRATE JUDGES OF THE TAX COURT**''.

(5) Section 7448 is amended—

(A) by striking ''special trial judge's'' each place it appears in subsections (a)(6), (c)(1), (d), and (m)(1) and inserting ''magistrate judge of the Tax Court's''; and

(B) by striking ''special trial judge'' each place it appears other than in subsection (n) and inserting ''magistrate judge of the Tax Court''.

(6) Section 7448(n) is amended—

(A) by striking ''special trial judge which are allowable'' and inserting ''magistrate judge of the Tax Court which are allowable''; and

(B) by striking ''special trial judge of the Tax Court'' both places it appears and inserting ''magistrate judge of the Tax Court''.

(7) The heading of section 7448(b)(2) is amended by striking ''SPECIAL TRIAL JUDGES'' and inserting ''MAGISTRATE JUDGES OF THE TAX COURT''.

(8) The item relating to section 7448 in the table of sections for part I of subchapter C of chapter 76 is amended to read as follows:

''Sec. 7448. Annuities to surviving spouses and dependent children of judges and magistrate judges of the Tax Court.''.

(9) Section 7456(a) is amended—

(A) by striking ''special trial judge'' each place it appears and inserting ''magistrate judge''; and

(B) by striking ''(or by the clerk'' and inserting ''of the Tax Court (or by the clerk''.

(10) Section 7466(a) is amended by striking ''special trial judge'' and inserting ''magistrate judge''.

(11) Section 7470A is amended by striking ''special trial judges'' both places it appears in subsections (a) and (b) and inserting ''magistrate judges''.

(12) Section 7471(a)(2)(A) is amended by striking ''special trial judges'' and inserting ''magistrate judges''.

(13) Section 7471(c) is amended—

(A) by striking ''SPECIAL TRIAL JUDGES'' in the heading and inserting ''MAGISTRATE JUDGES OF THE TAX COURT''; and

(B) by striking ''special trial judges'' and inserting ''magistrate judges''.

SEC. 504. REPEAL OF DEADWOOD RELATED TO BOARD OF TAX APPEALS.

(a) Section 7459 is amended by striking subsection (f) and redesignating subsection (g) as subsection (f).

(b) Section 7447(a)(3) is amended to read as follows:

''(3) In any determination of length of service as judge or as a judge of the Tax Court of the United States there shall be included all periods

(whether or not consecutive) during which an individual served as judge.''.

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