

115TH CONGRESS
2D SESSION

S. 3611

AN ACT

To amend the Internal Revenue Code of 1986 and the Higher Education Act of 1965 to facilitate the disclosure of tax return information to carry out the Higher Education Act of 1965, and for other purposes.

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 “Faster Access to Fed-
3 eral Student Aid Act of 2018”.

4 **SEC. 2. SECURE DISCLOSURE OF TAX-RETURN INFORMA-**
5 **TION TO CARRY OUT THE HIGHER EDU-**
6 **CATION ACT OF 1965.**

7 (a) AMENDMENTS TO THE INTERNAL REVENUE
8 CODE OF 1986.—

9 (1) IN GENERAL.—Paragraph (13) of section
10 6103(l) of the Internal Revenue Code of 1986 is
11 amended to read as follows:

12 “(13) DISCLOSURE OF RETURN INFORMATION
13 TO CARRY OUT THE HIGHER EDUCATION ACT OF
14 1965.—

15 “(A) INCOME-CONTINGENT OR INCOME-
16 BASED REPAYMENT AND TOTAL AND PERMA-
17 NENT DISABILITY DISCHARGE.—The Secretary
18 shall, upon written request from the Secretary
19 of Education, disclose to officers, employees,
20 and contractors of the Department of Edu-
21 cation, as specifically authorized and designated
22 by the Secretary of Education, only for the pur-
23 pose of (and to the extent necessary in) estab-
24 lishing, renewing, administering, and con-
25 ducting analyses and forecasts for estimating
26 costs related to income-contingent or income-

1 based repayment programs, and the discharge
2 of loans based on a total and permanent dis-
3 ability (within the meaning of section 437(a) of
4 the Higher Education Act of 1965), under title
5 IV of the Higher Education Act of 1965, the
6 following return information (as defined in sub-
7 section (b)(2)) with respect to taxpayers identi-
8 fied by the Secretary of Education as partici-
9 pating in the loan programs under title IV of
10 such Act, for taxable years specified by such
11 Secretary:

12 “(i) Taxpayer identity information
13 with respect to such taxpayer.

14 “(ii) The filing status of such tax-
15 payer.

16 “(iii) Type of tax return from which
17 the return information is provided.

18 “(iv) The adjusted gross income of
19 such taxpayer.

20 “(v) Total number of exemptions
21 claimed, or total number of individuals and
22 dependents claimed, as applicable, on the
23 return.

1 “(vi) Number of children with respect
2 to which tax credits under section 24 are
3 claimed on the return.

4 “(vii) Other information determined
5 to be necessary by agreement between the
6 Secretary and the Secretary of Education
7 to administer the Federal financial aid pro-
8 grams as required by the Higher Edu-
9 cation Act of 1965.

10 “(B) FEDERAL STUDENT FINANCIAL
11 AID.—The Secretary shall, upon written request
12 from the Secretary of Education, disclose to of-
13 ficers, employees, and contractors of the De-
14 partment of Education, as specifically author-
15 ized and designated by the Secretary of Edu-
16 cation, only for the purpose of (and to the ex-
17 tent necessary in) determining eligibility for,
18 and amount of, Federal student financial aid
19 under programs authorized by title IV of the
20 Higher Education Act of 1965 and conducting
21 analyses and forecasts for estimating costs re-
22 lated to such programs, the following return in-
23 formation (as defined in subsection (b)(2)) with
24 respect to taxpayers identified by the Secretary
25 of Education as applicants for Federal student

1 financial aid under title IV of such Act, for tax-
2 able years specified by such Secretary:

3 “(i) Taxpayer identity information
4 with respect to such taxpayer.

5 “(ii) The filing status of such tax-
6 payer.

7 “(iii) Type of tax return from which
8 the return information is provided.

9 “(iv) The adjusted gross income of
10 such taxpayer.

11 “(v) The amount of any net earnings
12 from self-employment (as defined in sec-
13 tion 1402), wages (as defined in section
14 3121(a) or 3401(a)), and taxable income
15 from a farming business (as defined in sec-
16 tion 236A(e)(4)) for the period reported on
17 the return.

18 “(vi) The total income tax of such
19 taxpayer.

20 “(vii) Total number of exemptions
21 claimed, or total number of individuals and
22 dependents claimed, as applicable, on the
23 return.

1 “(viii) Number of children with re-
2 spect to which tax credits under section 24
3 are claimed on the return.

4 “(ix) Amount of any credit claimed
5 under section 25A for the taxable year.

6 “(x) Amount of individual retirement
7 account distributions not included in ad-
8 justed gross income for the taxable year.

9 “(xi) Amount of individual retirement
10 account contributions and payments to
11 self-employed SEP, Keogh, and other
12 qualified plans which were deducted from
13 income for the taxable year.

14 “(xii) The amount of tax-exempt in-
15 terest.

16 “(xiii) Amounts from retirement pen-
17 sions and annuities not included in ad-
18 justed gross income for the taxable year.

19 “(xiv) If applicable, the fact that
20 there is no return filed for such taxpayer
21 for the applicable year.

22 “(xv) Other information determined to
23 be necessary by agreement between the
24 Secretary and the Secretary of Education
25 to administer the Federal financial aid pro-

1 grams as required by the Higher Edu-
2 cation Act of 1965.

3 “(C) RESTRICTION ON USE OF DISCLOSED
4 INFORMATION.—

5 “(i) IN GENERAL.—Return informa-
6 tion disclosed under subparagraphs (A)
7 and (B) may be used by officers, employ-
8 ees, and contractors of the Department of
9 Education, as specifically authorized and
10 designated by the Secretary of Education,
11 only for the purposes and to the extent
12 necessary described in such subparagraphs
13 and for mitigating risks (as defined in
14 clause (ii)) relating to the programs de-
15 scribed in such subparagraphs.

16 “(ii) MITIGATING RISKS.—For pur-
17 poses of this subparagraph, the term ‘miti-
18 gating risks’ means, with respect to the
19 programs described in subparagraphs (A)
20 and (B)—

21 “(I) analyzing or estimating costs
22 associated with potential changes to
23 the need-analysis formula,

24 “(II) oversight activities by the
25 Office of Inspector General of the De-

1 partment of Education as authorized
2 by the Inspector General Act of 1978,
3 as amended,

4 “(III) developing or admin-
5 istering statistical models that inform
6 support to populations of Federal stu-
7 dent loan borrowers who are at risk of
8 default or delinquency,

9 “(IV) reducing the net cost of
10 improper payments to Federal finan-
11 cial aid recipients, and

12 “(V) producing aggregate statis-
13 tics for reporting, research, or con-
14 sumer information on the performance
15 of programs or institutions of higher
16 education participating in the pro-
17 grams under title IV of the Higher
18 Education Act of 1965.

19 Such term does not include the conduct of
20 criminal investigations or prosecutions.

21 “(iii) REDISCLOSURE TO INSTITU-
22 TIONS OF HIGHER EDUCATION, STATE
23 HIGHER EDUCATION AGENCIES, AND DES-
24 IGNATED SCHOLARSHIP ORGANIZATIONS.—
25 The Secretary of Education, and officers,

1 employees, and contractors of the Depart-
2 ment of Education, may disclose return in-
3 formation received under subparagraph
4 (B), solely for the use in the application,
5 award, and administration of Federal stu-
6 dent financial aid, State aid, or aid award-
7 ed by eligible institutions or such entities
8 as the Secretary of Education may des-
9 ignate, to the following persons:

10 “(I) An institution of higher edu-
11 cation with which the Secretary of
12 Education has an agreement under
13 subpart 1 of part A, or part D or E,
14 of title IV of the Higher Education
15 Act of 1965.

16 “(II) A State higher education
17 agency.

18 “(III) A scholarship organization
19 which is designated by the Secretary
20 of Education as of the date of the en-
21 actment of the Faster Access to Fed-
22 eral Student Aid Act of 2018 as an
23 organization eligible to receive the in-
24 formation provided under this clause.

1 The preceding sentence shall only apply to
2 the extent that the taxpayer with respect
3 to whom the return information relates
4 provides consent for such disclosure to the
5 Secretary of Education as part of the ap-
6 plication for Federal student financial aid
7 under title IV of the Higher Education Act
8 of 1965.

9 “(D) REQUIRED NOTIFICATION PERI-
10 ODS.—

11 “(i) NOTIFICATION TO CONGRESS.—
12 The Secretary and the Secretary of Edu-
13 cation shall issue joint notifications to the
14 Committees on Finance and Health, Edu-
15 cation, Labor, and Pensions of the Senate
16 and the Committees on Ways and Means
17 and Education and the Workforce of the
18 House of Representatives not less than
19 120 days prior to the first disclosure of
20 any type of return information under sub-
21 paragraph (A)(vii) or (B)(xv) with respect
22 to which such a notification has not been
23 previously made.

24 “(ii) PUBLIC NOTICE AND COM-
25 MENT.—There shall be a public notice and

1 comment period beginning not less than 60
2 days prior to the first disclosure of any
3 type of return information under subpara-
4 graph (A)(vii) or (B)(xv) with respect to
5 which such a notification has not been pre-
6 viously made, subsequent to the period al-
7 lotted for Congressional comment under
8 clause (i).”.

9 (2) CONFIDENTIALITY OF RETURN INFORMA-
10 TION.—Section 6103(a)(3) of such Code is amended
11 by inserting “, (13)(A), (13)(B)” after “(12)”.

12 (3) CONFORMING AMENDMENTS.—Section
13 6103(p)(4) of such Code is amended—

14 (A) by inserting “(A), (13)(B)” after
15 “(13)” each place it occurs, and

16 (B) by inserting “, (13)(A), (13)(B)” after
17 “(l)(10)” each place it occurs.

18 (b) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to disclosures made under section
20 6103(l)(13) of the Internal Revenue Code of 1986 (as
21 amended by this section) after the date of the enactment
22 of this Act.

1 **SEC. 3. NOTIFICATION OF REQUEST FOR TAX RETURN IN-**
2 **FORMATION.**

3 (a) IN GENERAL.—Part G of title IV of the Higher
4 Education Act of 1965 (20 U.S.C. 1088 et seq.) is amend-
5 ed by adding at the end the following:

6 **“SEC. 494. NOTIFICATION OF REQUEST FOR TAX RETURN**
7 **INFORMATION.**

8 “The Secretary shall advise students and borrowers
9 who submit an application for Federal student financial
10 aid under this title or for the discharge of a loan based
11 on permanent and total disability, as described in section
12 437(a), or who request an income-contingent or income-
13 based repayment plan on their loan (as well as parents
14 and spouses who sign such an application or request or
15 a Master Promissory Note on behalf of those students and
16 borrowers) that the Secretary has the authority to request
17 that the Internal Revenue Service disclose their tax return
18 information (as well as that of parents and spouses who
19 sign such an application or request or a Master Promis-
20 sory Note on behalf of those students and borrowers) to
21 officers, employees, and contractors of the Department of
22 Education as authorized under section 6103(1)(13) of the
23 Internal Revenue Code of 1986, to the extent necessary
24 for the Secretary to carry out this title.”.

1 (b) CONFORMING AMENDMENT.—Section 484(q) of
2 the Higher Education Act of 1965 (20 U.S.C. 1091(q))
3 is amended to read as follows:

4 “(q) reserved”.

5 **SEC. 4. REPORTS ON IMPLEMENTATION.**

6 (a) IN GENERAL.—Not later than each specified
7 date, the Secretary of Education and the Secretary of the
8 Treasury shall issue joint reports to the Committees on
9 Health, Education, Labor, and Pensions and Finance of
10 the Senate and the Committees on Education and the
11 Workforce and Ways and Means of the House of Rep-
12 resentatives regarding the amendments made by this Act.
13 Each such report shall include, as applicable—

14 (1) an update on the status of implementation
15 of the amendments made by this Act,

16 (2) an evaluation of the processing of applica-
17 tions for Federal student financial aid, and applica-
18 tions for income-based repayment and income con-
19 tingent repayment, under title IV of the Higher
20 Education Act of 1965 (20 U.S.C. 1070 et seq.), in
21 accordance with the amendments made by this Act,
22 and

23 (3) implementation issues and suggestions for
24 potential improvements.

1 (b) SPECIFIED DATE.—For purposes of subsection
2 (a), the term “specified date” means—

3 (1) the date that is 90 days after the date of
4 the enactment of this Act,

5 (2) the date that is 120 days after the first day
6 that the disclosure process established under section
7 6103(l)(13) of the Internal Revenue Code of 1986,
8 as amended by section 2(a) of this Act, is oper-
9 ational and accessible to officers, employees, and
10 contractors of the Department of Education (as spe-
11 cifically authorized and designated by the Secretary
12 of Education), and

13 (3) the date that is 1 year after the report date
14 described in paragraph (2).

Passed the Senate December 20 (legislative day, De-
cember 19), 2018.

Attest:

Secretary.

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