

today Erie Insurance and its employees follow Mr. Hirt's example and continue this tradition of giving of food and clothing and other drives that help out in the community.

And since it is tax filing week, all these charitable organizations must file their tax forms, called 990s, which brings us back to why we are here today on the floor considering H.R. 5443. Our bill would make it mandatory that 990s be filed electronically going forward. Electronic filing, or e-filing, is not only more efficient; it costs taxpayers less and the IRS less to administer. This requirement will boost transparency in the tax-exempt sector by requiring all nonprofits to file their returns electronically.

Today, approximately 60 percent of all 990s are filed electronically, but the remaining 40 percent are still paper filed and not released as open data. In addition to requiring e-filing of the 990 form be mandatory for tax-exempt organizations, the bill would make such returns available to the public in a machine-readable format.

So why is this important? Better 990 information, when searchable and available to the public, allows for better scrutiny and better transparency. Jacob Harold, president of GuideStar, which collects and disseminates information from nonprofits' returns, says: "The more easily people can access that data, the better."

A readable, searchable format that will help improve efficiency and accuracy and reduce fraud, e-filing has served as a highly effective tool in exposing scam charities, and it will make it easier to catch these few bad actors who are using tax donations for personal gain only.

For example, in 2015, the Federal Trade Commission, the District of Columbia, and all 50 States filed a lawsuit against four scam cancer charities calling themselves the Cancer Fund. Their owners had used over 95 percent of the \$187 million in charitable donations for their own personal benefit. This lawsuit took almost 4 years because of the difficulty of analyzing thousands and thousands of pages of data that were filed on paper.

Our bill will correct that. Hundreds of millions of dollars from generous Americans were wasted because their donations were going to a fraudster and not helping researchers to find a cure for cancer. To take money away from cancer patients is just plain wrong and immoral. Our bill wants to make sure this doesn't happen in the future.

Now, how would that happen? Changes could be brought sooner against these scam charities, in less than 1 year instead of 4, if the return information had been available electronically. There are countless examples that prove that this can be the case. The State of Michigan is a great model for just how valuable access to machine-readable data is. To date, Michigan has shut down the most num-

ber of scam nonprofits out of all 50 States. This is because of the Michigan attorney general's ability to manipulate and analyze researchable data.

This bipartisan bill would help expose these shams nationally by ensuring nonprofits are e-filing annual returns. Therefore, I urge my colleagues on both sides to support this important good-government, antifraud bill.

Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Georgia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, let me just thank my friend and colleague from Pennsylvania for those kind words. Say hello to your grandson George.

Mr. Speaker, I rise in strong support of H.R. 5443. Let me begin by thanking the gentleman from Pennsylvania and the gentlewoman from Florida for their work on this good and necessary bill.

Mr. Speaker, I hope all of our colleagues will support this simple bill, and I reserve the balance of my time.

Mr. KELLY of Pennsylvania. Mr. Speaker, having no other speakers, I reserve the balance of my time.

Mr. LEWIS of Georgia. Mr. Speaker, I yield 3 minutes to the gentlewoman from Florida (Mrs. MURPHY), the lead Democratic cosponsor.

Mrs. MURPHY of Florida. Mr. Speaker, I am proud to be the lead Democrat on this bipartisan bill which would provide government officials with the timely information they need to prevent and punish fraud in connection with charitable solicitations and the use of charitable assets.

I want to thank my colleague and colead from Pennsylvania, Congressman MIKE KELLY, for his leadership on this issue. I also want to thank the chairman, ranking member, and the members of the Ways and Means Committee which unanimously approved this bill last week.

Our bill would require charities to annually file Internal Revenue Service form 990, the form used by tax-exempt organizations, in electronic as opposed to paper format. It would also require the IRS to make these electronic filings available to the public in machine-readable format. Our legislation has been endorsed by the National Association of State Charity Officials, or NASCO, which is an association of State agencies that oversees charitable organizations.

The purpose of our bill is threefold:

First, it would help law enforcement agencies and government regulators identify, shut down, and prosecute fraudulent charitable organizations that use financial contributions for their personal benefit rather than to help those in need.

Second, it would protect American taxpayers who make generous donations to charitable organizations and deserve to feel a sense of security that their hard-earned money is being used for its intended purpose.

And third, it would help reduce the often excessive and overlapping Fed-

eral and State filing requirements applicable to charitable organizations, on which these organizations spend considerable time, money, and resources complying every year. This would enable genuine tax-exempt organizations to focus more on their charitable mission, whether that is helping wounded warriors, sponsoring cancer research, assisting victims of gun violence, or other notable causes.

I would note that, in its letter of support for this legislation, NASCO states that having electronic data for all form 990 filers, as this bill mandates, would ensure that the States have the ability to identify and stop fraudulent activity that harms charities and donors more quickly and effectively. NASCO further states that the bill could result in returning to charitable organizations significant resources that these organizations must currently devote to compliance with unnecessary government filing requirements.

In closing, I respectfully ask my colleagues in this Chamber to support the bill, and I urge my colleagues in the Senate to quickly follow suit.

Mr. KELLY of Pennsylvania. Mr. Speaker, I reserve the balance of my time.

Mr. LEWIS of Georgia. Mr. Speaker, I have no further speakers and am prepared to close.

Mr. Speaker, I urge all of my colleagues to support this bill, and I yield back the balance of my time.

Mr. KELLY of Pennsylvania. Mr. Speaker, in closing, I yield myself such time as I may consume.

Yes, it is true, Americans are a charitable group. In fact, we are the most generous people in the world. Our Nation's history of philanthropy, charities, and loving people are the envy of the world. In 2016 alone, Americans gave \$390 billion, with 63 million Americans, 25 percent of the adult population, volunteering their time, their talent, their energy, and their dollars to make a difference.

As a recent commentator noted, Americans have it in their DNA to be philanthropic. Of all the countries, we are the most generous. Because I know my colleagues have it in their DNA to support our Nation's unique philanthropic history and charitable community, I urge them to vote in favor of this important legislation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Pennsylvania (Mr. KELLY) that the House suspend the rules and pass the bill, H.R. 5443, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair

declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 42 minutes p.m.), the House stood in recess.

□ 1600

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. LOVE) at 4 p.m.

#### MAKING PERMANENT VOLUNTEER INCOME TAX ASSISTANCE MATCHING GRANT PROGRAM

Mr. CURBELO of Florida. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2901) to amend the Internal Revenue Code of 1986 to make permanent Volunteer Income Tax Assistance matching grant program, as amended.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 2901

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

#### SECTION 1. RETURN PREPARATION PROGRAMS FOR LOW-INCOME TAXPAYERS.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 is amended by inserting after section 7526 the following new section:

##### “SEC. 7526A. RETURN PREPARATION PROGRAMS FOR LOW-INCOME TAXPAYERS.

“(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX ASSISTANCE MATCHING GRANT PROGRAM.—The Secretary shall establish a Community Volunteer Income Tax Assistance Matching Grant Program under which the Secretary may, subject to the availability of appropriated funds, make grants to provide matching funds for the development, expansion, or continuation of qualified return preparation programs assisting low-income taxpayers and members of underserved populations.

“(b) USE OF FUNDS.—

“(1) IN GENERAL.—Qualified return preparation programs may use grants received under this section for—

“(A) ordinary and necessary costs associated with program operation in accordance with cost principles under the applicable Office of Management and Budget circular, including—

“(i) wages or salaries of persons coordinating the activities of the program,

“(ii) developing training materials, conducting training, and performing quality reviews of the returns prepared under the program,

“(iii) equipment purchases, and

“(iv) vehicle-related expenses associated with remote or rural tax preparation services,

“(B) outreach and educational activities described in subsection (c)(2)(B), and

“(C) services related to financial education and capability, asset development, and the establishment of savings accounts in connection with tax return preparation.

“(2) REQUIREMENT OF MATCHING FUNDS.—A qualified return preparation program must provide matching funds on a dollar-for-dollar basis for all grants provided under this section. Matching funds may include—

“(A) the salary (including fringe benefits) of individuals performing services for the program,

“(B) the cost of equipment used in the program, and

“(C) other ordinary and necessary costs associated with the program.

Indirect expenses, including general overhead of any entity administering the program, shall not be counted as matching funds.

“(c) APPLICATION.—

“(1) IN GENERAL.—Each applicant for a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may reasonably require.

“(2) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to applications which demonstrate—

“(A) assistance to low-income taxpayers, with emphasis on outreach to, and services for, such taxpayers,

“(B) taxpayer outreach and educational activities relating to eligibility and availability of income supports available through this title, including the earned income tax credit, and

“(C) specific outreach and focus on one or more underserved populations.

“(3) AMOUNTS TAKEN INTO ACCOUNT.—In determining matching grants under this section, the Secretary shall only take into account amounts provided by the qualified return preparation program for expenses described in subsection (b).

“(d) PROGRAM ADHERENCE.—

“(1) IN GENERAL.—The Secretary shall establish procedures for, and shall conduct not less frequently than once every 5 calendar years during which a qualified return preparation program is operating under a grant under this section, periodic site visits—

“(A) to ensure the program is carrying out the purposes of this section, and

“(B) to determine whether the program meets such program adherence standards as the Secretary shall by regulation or other guidance prescribe.

“(2) ADDITIONAL REQUIREMENTS FOR GRANT RECIPIENTS NOT MEETING PROGRAM ADHERENCE STANDARDS.—In the case of any qualified return preparation program which—

“(A) is awarded a grant under this section, and

“(B) is subsequently determined—

“(i) not to meet the program adherence standards described in paragraph (1)(B), or

“(ii) not to be otherwise carrying out the purposes of this section,

such program shall not be eligible for any additional grants under this section unless such program provides sufficient documentation of corrective measures established to address any such deficiencies determined.

“(e) DEFINITIONS.—For purposes of this section—

“(1) QUALIFIED RETURN PREPARATION PROGRAM.—The term ‘qualified return preparation program’ means any program—

“(A) which provides assistance to individuals, not less than 90 percent of whom are low-income taxpayers, in preparing and filing Federal income tax returns,

“(B) which is administered by a qualified entity,

“(C) in which all volunteers who assist in the preparation of Federal income tax returns meet the training requirements prescribed by the Secretary, and

“(D) which uses a quality review process which reviews 100 percent of all returns.

“(2) QUALIFIED ENTITY.—

“(A) IN GENERAL.—The term ‘qualified entity’ means any entity which—

“(i) is an eligible organization,

“(ii) is in compliance with Federal tax filing and payment requirements,

“(iii) is not debarred or suspended from Federal contracts, grants, or cooperative agreements, and

“(iv) agrees to provide documentation to substantiate any matching funds provided pursuant to the grant program under this section.

“(B) ELIGIBLE ORGANIZATION.—The term ‘eligible organization’ means—

“(i) an institution of higher education which is described in section 102 (other than subsection (a)(1)(C) thereof) of the Higher Education Act of 1965 (20 U.S.C. 1002), as in effect on the date of the enactment of this section, and which has not been disqualified from participating in a program under title IV of such Act,

“(ii) an organization described in section 501(c) and exempt from tax under section 501(a),

“(iii) a local government agency, including—

“(I) a county or municipal government agency, and

“(II) an Indian tribe, as defined in section 4(13) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(13)), including any tribally designated housing entity (as defined in section 4(22) of such Act (25 U.S.C. 4103(22))), tribal subsidiary, subdivision, or other wholly owned tribal entity,

“(iv) a local, State, regional, or national coalition (with one lead organization which meets the eligibility requirements of clause (i), (ii), or (iii) acting as the applicant organization), or

“(v) in the case of low-income taxpayers and members of underserved populations with respect to which no organizations described in the preceding clauses are available—

“(I) a State government agency, or

“(II) an office providing Cooperative Extension services (as established at the land-grant colleges and universities under the Smith-Lever Act of May 8, 1914).

“(3) LOW-INCOME TAXPAYERS.—The term ‘low-income taxpayer’ means a taxpayer whose income for the taxable year does not exceed an amount equal to the completed phaseout amount under section 32(b) for a married couple filing a joint return with 3 or more qualifying children, as determined in a revenue procedure or other published guidance.

“(4) UNDERSERVED POPULATION.—The term ‘underserved population’ includes populations of persons with disabilities, persons with limited English proficiency, Native Americans, individuals living in rural areas, members of the Armed Forces and their spouses, and the elderly.

“(f) SPECIAL RULES AND LIMITATIONS.—

“(1) DURATION OF GRANTS.—Upon application of a qualified return preparation program, the Secretary is authorized to award a multi-year grant not to exceed 3 years.

“(2) AGGREGATE LIMITATION.—Unless otherwise provided by specific appropriation, the Secretary shall not allocate more than \$30,000,000 per fiscal year (exclusive of costs of administering the program) to grants under this section.

“(g) PROMOTION OF PROGRAMS.—

“(1) IN GENERAL.—The Secretary shall promote tax preparation through qualified return preparation programs through the use of mass communications and other means.

“(2) PROVISION OF INFORMATION REGARDING QUALIFIED RETURN PREPARATION PROGRAMS.—The Secretary may provide taxpayers information regarding qualified return preparation programs receiving grants under this section.

“(3) VITA GRANTEE REFERRAL.—Qualified return preparation programs receiving a grant under this section are encouraged, in appropriate cases, to—

“(A) advise taxpayers of the availability of, and eligibility requirements for receiving,