

116TH CONGRESS
1ST SESSION

H. R. 2297

To amend the Internal Revenue Code of 1986 to establish a free online tax preparation and filing service and programs that allow taxpayers to access third-party provided tax return information.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 2019

Mr. SHERMAN (for himself, Ms. NORTON, Mr. BEYER, Mr. RASKIN, Mr. RYAN, Ms. HILL of California, Ms. OCASIO-CORTEZ, Mr. BLUMENAUER, and Ms. SPEIER) 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 establish a free online tax preparation and filing service and programs that allow taxpayers to access third-party provided tax return information.

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 “Tax Filing Simplifica-
5 tion Act of 2019”.

1 **SEC. 2. PROHIBITION ON AGREEMENTS RESTRICTING GOV-**
2 **ERNMENT TAX PREPARATION AND FILING**
3 **SERVICES.**

4 The Secretary of the Treasury, or the Secretary's del-
5 egate, may not enter into any agreement after the date
6 of the enactment of this Act which restricts the Sec-
7 retary's legal right to provide tax return preparation serv-
8 ices or software or to provide tax return filing services.

9 **SEC. 3. GOVERNMENT-ASSISTED TAX PREPARATION AND**
10 **FILING SERVICES.**

11 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
12 enue Code of 1986 is amended by adding at the end the
13 following new section:

14 **“SEC. 7529. GOVERNMENT-ASSISTED TAX-RETURN PREPA-**
15 **RATION PROGRAMS.**

16 “(a) ESTABLISHMENT OF PROGRAMS.—The Sec-
17 retary shall establish and operate the following programs:

18 “(1) ONLINE TAX PREPARATION AND FILING
19 SOFTWARE.—Not later than January 31, 2021, soft-
20 ware for the preparation and filing of individual in-
21 come tax returns for taxable years beginning after
22 2019.

23 “(2) TAXPAYER DATA ACCESS.—Not later than
24 March 1, 2021, a program under which taxpayers
25 may download third-party provided return informa-

1 tion relating to individual income tax returns for
2 taxable years beginning after 2019.

3 “(3) VOLUNTARY TAX RETURN PREPARA-
4 TION.—Not later than March 1, 2021, a program
5 under which eligible individuals (as defined under
6 subsection (c)(1)) may elect to have income tax re-
7 turns for taxable years beginning after 2019 pre-
8 pared by the Secretary, with an opportunity for the
9 individual to update such returns after preparation.

10 “(4) FACILITATING USE OF FEDERAL RETURNS
11 FOR STATE TAX PURPOSES.—Not later than March
12 1, 2021, for States that provide or seek to provide
13 State-level software or programs similar to software
14 described in paragraph (1) or the program described
15 in paragraph (3), a program under which the Sec-
16 retary—

17 “(A) provides technical assistance, and

18 “(B) discloses Federal income tax return
19 information under section 6103(c) to facilitate
20 the preparation and filing of State income tax
21 returns.

22 “(b) REQUIREMENTS FOR TAXPAYER DATA ACCESS
23 PROGRAM.—

1 “(1) IN GENERAL.—Return information under
2 the program established under subsection (a)(2)
3 shall be made available—

4 “(A) not later than 15 days after the Sec-
5 retary receives such information, and

6 “(B) through a secure function that allows
7 a taxpayer to download such information from
8 the Secretary’s website in both a printable doc-
9 ument file and in a computer-readable form
10 suitable for use by automated tax preparation
11 software.

12 “(2) THIRD-PARTY PROVIDED RETURN INFOR-
13 MATION DEFINED.—For purposes of this section, the
14 term ‘third-party provided return information’
15 means—

16 “(A) information reported to the Secretary
17 through an information return (as defined in
18 section 6724(d)(1)),

19 “(B) information reported to the Secretary
20 pursuant to section 232 of the Social Security
21 Act, and

22 “(C) such other information reported to
23 the Secretary as is determined appropriate by
24 the Secretary for purposes of the program es-
25 tablished under subsection (a)(2).

1 “(c) TAX RETURN PREPARATION.—

2 “(1) ELIGIBLE INDIVIDUAL.—For purposes of
3 the program established under subsection (a)(3)—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraphs (B) and (C), the term ‘eligible
6 individual’ means, with respect to any taxable
7 year, any individual who—

8 “(i) elects to participate in the pro-
9 gram established under subsection (a)(3),

10 “(ii) is an unmarried individual (other
11 than a surviving spouse (as defined in sec-
12 tion 2(a)) or the head of a household (as
13 defined in section 2(b))),

14 “(iii) does not claim any deduction al-
15 lowed under section 62 for purposes of de-
16 termining adjusted gross income,

17 “(iv) claims the standard deduction
18 under section 63,

19 “(v) does not file schedule C, and

20 “(vi) has no income other than income
21 from—

22 “(I) wages (as defined in section
23 3401),

24 “(II) interest, or

25 “(III) dividends.

1 “(B) LIMITATION ON ELIGIBILITY FOR
2 TAX YEAR 2020.—With respect to any taxable
3 year beginning in 2020, the term ‘eligible indi-
4 vidual’ shall only include such populations of in-
5 dividuals described in subparagraph (A) as is
6 determined by the Secretary.

7 “(C) EXPANSION OF ELIGIBILITY AFTER
8 TAX YEAR 2020.—

9 “(i) IN GENERAL.—At the discretion
10 of the Secretary, with respect to any tax-
11 able year beginning after December 31,
12 2020, the term ‘eligible individual’ may in-
13 clude populations of individuals who would
14 not otherwise satisfy the requirements es-
15 tablished under subparagraph (A), such as
16 married individuals, heads of households,
17 taxpayers who are eligible to claim the
18 earned income tax credit under section 32
19 and have dependents, taxpayers who are el-
20 igible to claim the child tax credit under
21 section 24, taxpayers who claim deductions
22 allowed under section 62 for purposes of
23 determining adjusted gross income, and
24 taxpayers with income from non-employee
25 compensation.

1 “(ii) REPORT.—Not later than August
2 31, 2022, the Secretary shall submit a re-
3 port to Congress that contains recommen-
4 dations for such legislative or administra-
5 tive actions as the Secretary determines
6 necessary with respect to expanding the
7 populations of individuals that may qualify
8 as eligible individuals for purposes of the
9 program established under subsection
10 (a)(3).

11 “(2) RETURN MUST BE FILED BY INDI-
12 VIDUAL.—No return prepared under the program es-
13 tablished under subsection (a)(3) shall be treated as
14 filed before the date such return is submitted by the
15 taxpayer as provided under the rules of section
16 6011.

17 “(d) VERIFICATION OF IDENTITY.—

18 “(1) IN GENERAL.—Subject to paragraph (2),
19 an individual shall not participate in any program
20 described in subsection (a) or access any information
21 under such a program unless such individual has
22 verified their identity to the satisfaction of the Sec-
23 retary.

24 “(2) PROHIBITION.—

1 “(A) IN GENERAL.—For purposes of
2 verifying the identity of any individual seeking
3 to participate in any program described in sub-
4 section (a) or to access any information under
5 such a program, the Secretary shall not employ
6 any knowledge-based verification procedures.

7 “(B) KNOWLEDGE-BASED VERIFICATION
8 PROCEDURE.—For purposes of this paragraph,
9 the term ‘knowledge-based verification proce-
10 dure’ means any procedure for verification of
11 the identity of an individual by means of asking
12 detailed and personal questions for which only
13 that individual is presumed to know the an-
14 swers, including any such procedures which are
15 provided through service agreements with a
16 credit reporting agency.

17 “(e) TAXPAYER RESPONSIBILITY.—Nothing in this
18 section shall be construed to absolve the taxpayer from
19 full responsibility for the accuracy or completeness of his
20 return of tax.

21 “(f) PROHIBITION ON FEES.—No fee may be im-
22 posed on any taxpayer who participates in any program
23 established under subsection (a).

24 “(g) INFORMATION PROVIDED FOR WAGE AND SELF-
25 EMPLOYMENT INCOME.—For purposes of subsection

1 (a)(2), in the case of information relating to wages paid
2 for any calendar year after 2019 required to be provided
3 to the Commissioner of Social Security under section
4 205(c)(2)(A) of the Social Security Act (42 U.S.C.
5 405(c)(2)(A)), the Commissioner shall make such infor-
6 mation available to the Secretary not later than the Feb-
7 ruary 15 of the calendar year following the calendar year
8 to which such wages and self-employment income relate.”.

9 (b) FILING DEADLINE FOR INFORMATION RE-
10 TURNS.—Section 6071(b) of such Code is amended to
11 read as follows:

12 “(b) INFORMATION RETURNS.—Returns made under
13 part III of this chapter shall be filed on or before January
14 31 of the year following the calendar year to which such
15 returns relate. Section 6081 shall not apply to returns
16 under such part III.”.

17 (c) CONFORMING AMENDMENT TO SOCIAL SECURITY
18 ACT.—Section 205(c)(2)(A) of the Social Security Act (42
19 U.S.C. 405(c)(2)(A)) is amended by adding at the end the
20 following new sentence: “For purposes of the preceding
21 sentence, the Commissioner shall require that information
22 relating to wages paid be provided to the Secretary of the
23 Treasury not later than February 15 of the year following
24 the calendar year to which such wages and self-employ-
25 ment income relate.”.

1 (d) CLERICAL AMENDMENT.—The table of sections
2 for chapter 77 of such Code is amended by adding at the
3 end the following new item:

“Sec. 7529. Government-assisted tax-return preparation programs.”.

4 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
5 authorized to be appropriated to carry out the amend-
6 ments made by this section such sums as may be necessary
7 for each of fiscal years 2020 through 2024.

8 (f) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to returns for taxable years begin-
10 ning after December 31, 2019.

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