



# TaxNewsFlash

## United States

No. 2018-138  
April 11, 2018

### **Legislative update: Ways and Means approves IRS restructuring, taxpayer protection bills**

The U.S. House Ways and Means Committee today approved a slate of IRS restructuring and taxpayer protection bills. The bills had bipartisan support.

The bills will be reported to the full House for possible future consideration.

#### **H.R. 5444**

H.R. 5444, *The Taxpayer First Act*, estimated by the Joint Committee on Taxation to decrease revenues by approximately \$52 million over 10 years, contains proposals that would:

- Change the title of the “Commissioner of Internal Revenue” to the “Administrator of Internal Revenue”
- Eliminate the IRS Oversight Board
- Create an IRS Independent Office of Appeals (“Independent Appeals”) to be headed by a newly created “Chief of Appeals,” and include rules governing taxpayer access to administrative case files and procedures for taxpayer appeal of request for Independent Appeals consideration
- Limit the IRS’s ability to pursue seizure or forfeiture of assets, suspected of being part of a structured cash transaction, to assets derived from an illegal source or structured in an attempt to conceal criminal law violations and create a post-seizure notice and review procedure; and exclude from gross income, interest received by taxpayers from the federal government pursuant to certain civil asset forfeiture proceedings
- Generally require the IRS to provide a taxpayer with at least 45 days of notice prior to initiating contact with third parties regarding matters related to the taxpayer’s tax liability

In addition, the bill includes proposals relating to other matters such as innocent spouse relief; “John Doe summons;” the IRS use of private debt collection with regard to lower income taxpayers; the issuance of designated summons; access of third parties to taxpayer information; Taxpayer Assistance Directive procedures; various modifications to U.S. Tax Court administrative matters; IRS customer service and the IRS Free File Program; and the low-income taxpayer exception regarding user fees and partial upfront payments related to offers-in-compromise.

## **H.R. 5445**

H.R. 5445, *The 21<sup>st</sup> Century IRS Act*, contains a number of proposals including items related to cyber security and identity protection; IRS information technology and electronic systems; and modernization of the consent-based income verification system.

## **Other bills**

Other bills approved by the Ways and Means Committee today include:

- H.R. 2901, the Volunteer Income Tax Assistance Permanence Act
- H.R. 5438, A Bill to Amend the Internal Revenue Code of 1986 to Allow Officers and Employees of the Department of the Treasury to Provide to Taxpayers Information Regarding Low-Income Taxpayer Clinics
- H.R. 5440, A Bill to Require Notice from the Secretary of the Treasury in the Case of Any Closure of a Taxpayer Assistance Center
- H.R. 5446, A Bill to Amend the Internal Revenue Code of 1986 to Restrict the Immediate Sale of Seized Property by Secretary of the Treasury to Perishable Goods
- H.R. 5437, A Bill to Require the Secretary of the Treasury to Establish a Program for the Issuance of Identity Protection Personal Identification Numbers
- H.R. 5439, A Bill to Provide for a Single Point of Contact at the Internal Revenue Service for the Taxpayers Who Are Victims of Tax-Related Identity Theft
- H.R. 5443, A Bill to Amend the Internal Revenue Code of 1986 to Require Electronic Filing of the Annual Returns of Exempt Organizations and Provide for Making Such Returns Available for Public Inspection
- H.R. 4403, Moving Americans Privacy Protection Act
- H.R. 1512, the Social Security Child Protection Act of 2017
- H.R. 5192, Protecting Children from Identity Theft Act

The Joint Committee on Taxation provided descriptions and revenue estimates of these bills (JCX-9-18 through JCX-28-18). Read these reports on the [JCT website](#).

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