



TaxNewsFlash

United States



No. 2019-165
April 2, 2019

Ways and Means approves two tax bills

The U.S. House of Representative's Ways and Means Committee today approved, by voice vote, two bipartisan tax bills for consideration by the full House.

The bills approved today are:

- H.R. 1994, *Setting Every Community Up for Retirement Enhancement Act (SECURE) of 2019*
- H.R. 1957, *Taxpayer First Act of 2019*

Details about retirement bill (SECURE Act)

The SECURE Act contains a number of retirement savings provisions, including:

- Increased required minimum distribution age from 70.5 years to 72 years after 2019 for certain taxpayers
- Accelerated required distribution rules for many designated beneficiaries
- Increased penalties for failures to file
- Expanded section 529 eligible expenses
- Portability of lifetime income options

Additionally, a chairman's amendment in the nature of a substitute added proposals related to multiple employer plans and "pooled" employer plans as well as a modification of PBCD premiums for CSEC plans to the bill that was approved today.

Documents

- Read a Ways and Means [press release](#)
- Read [text](#) [PDF 235 KB] of the legislation
- Read a [section-by-section summary](#) [PDF 233 KB]
- Read a Joint Committee on Taxation (JCT) description of the bill: [JCX-11-19](#)
- Read a JCT revenue estimate: [JCX-12-19](#)

Read more about the SECURE Act bill in [TaxNewsFlash](#)

Details about Taxpayer First Act

A summary of the bill released by Ways and Means, lists the following key features:

- Reinforcing the independence of the appeals process
- Ensuring that taxpayers have access to the same information as the IRS during the dispute resolution process
- Requiring the IRS to submit to Congress a plan to redesign the structure of the agency to improve efficiency, enhance cybersecurity, and better meet the needs of taxpayers
- Making sure that, when the IRS performs an audit, actual notice is provided to taxpayers before the agency contacts friends, neighbors, and clients
- Requiring the IRS to submit to Congress a comprehensive plan to improve its customer service strategy, based on best practices from the private sector
- Overhauling the IRS's tools of enforcement so that assets are not seized without proper, timely, and fair notice
- Strengthening IRS accountability by codifying the roles and responsibilities of the IRS Chief Information Officer and requiring annual information technology strategic planning
- Providing for the easier electronic submission of tax return forms and supporting documentation
- Strengthening the IRS's ability to proactively combat identity theft tax refund fraud by creating a single point of contact for victims of identity theft, codifying the Security Summit, and providing the IRS with the ability to safely share additional information with specified Information Sharing and Analysis Center members
- Enhancing the potential impact of Taxpayer Advocate Directives
- Restricting the use of third-party summons and modifying authority to issue designated summons
- Requiring submission of a comprehensive training schedule for all IRS employees
- Authorizing streamlined critical pay authority of I.T. personnel

Documents

- Read a Ways and Means [press release](#)
- Read [text](#) [PDF 283 KB] of the legislation
- Read a [section-by-section summary](#) [PDF 637 KB]
- Read a JCT description of the bill: [JCX-15-19](#)
- Read a JCT revenue estimate: [JCX-17-19](#)

Read more about the Taxpayer First Act in [TaxNewsFlash](#)

KPMG observation

In his prepared opening statement for the markup, Ways and Means Committee Chairman Richard Neal (D-MA) indicated his hope for additional future bipartisan legislation focused upon retirement matters:

Over the coming months, the Ranking Member and I plan to put together another bill that will close the coverage gap, simplify the retirement system, and help Americans preserve their assets in retirement.... My goal is to mark up this second retirement bill before the August recess."

It is unclear when and if the full House of Representatives or the Senate will act on these bills. Although bipartisan, congressional procedures and other pending matters could complicate passage.

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