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BAUCUS UNVEILS PROPOSAL TO COMBAT TAX FRAUD, MAKE FILING SAFER, SIMPLIER AND MORE EFFICIENT

Chairman Calls for Input on Reforms to Administration of Tax Laws

WASHINGTON – In continuing his push to overhaul America's tax code, Senate Finance Committee Chairman Max Baucus (D-Mont.) today unveiled a series of proposals to make the U.S. tax system simpler and safer for families and businesses across America.

"Our tax code today is inefficient, and incomprehensible to the overwhelming majority of Americans," Senator Baucus said. "This complexity is eroding confidence in our economy and creating uncertainty for America's families and businesses. Enough is enough. This discussion draft explores ways to simplify the tax process for all Americans."

Senator Baucus today released proposed reforms to the administration of U.S. tax laws, the second in a series of staff discussion drafts to overhaul America's tax code. The package of reforms draws heavily from proposals offered by both Republican and Democratic members of the Senate Finance Committee. It details a number of reforms to modernize tax administration, minimize compliance burdens, reduce tax-related identity theft, and shrink the tax gap. Specifically, the discussion draft offers proposals to:

- Simplify the tax filing process and greater utilize technology.
- Provide the IRS with new tools to combat tax-related identity theft and assist victims of this
 crime.
- Reduce the tax gap by increasing information reporting and providing IRS with additional collection tools.

Senator Baucus also called for additional feedback from members of Congress, key stakeholders and the general public on the discussion draft and on a number of additional issues, including ways to better protect taxpayer's rights. Feedback on the tax administration discussion draft is requested by <u>January</u> 17, 2014 and comments can be sent to: <u>Tax_Reform@Finance.Senate.gov</u>.

Yesterday, <u>Senator Baucus unveiled</u> an international tax reform staff discussion draft. Tomorrow, the Senator plans to release proposals to reform cost recovery and accounting.

The discussion drafts are based on bipartisan ideas and incorporate bills introduced by both Republicans and Democrats.

A detailed summary of the tax administration staff discussion draft can be found <u>here</u>, and a one-pager on the draft can be found <u>here</u>.

The full staff discussion draft in legislative language can be found here.