

1 **TITLE _____ —TAX**
2 **ADMINISTRATION PROVISIONS**

TITLE _____ —TAX ADMINISTRATION PROVISIONS

Subtitle A—Reforms Relating to Information Returns

- Sec. __01. Accelerated filing of certain returns.
- Sec. __02. Safe harbor for de minimis errors on information returns and payee statements.
- Sec. __03. Internet platform for Form 1099 filings.
- Sec. __04. Requirement that electronically prepared paper returns include scannable code.

Subtitle B—Prevention of Identity Theft and Tax Fraud

- Sec. __11. Restriction on access to the death master file.
- Sec. __12. Single point of contact for identity theft victims.
- Sec. __13. Criminal penalty for misappropriating taxpayer identity in connection with tax fraud.
- Sec. __14. Extend Internal Revenue Service authority to require truncated social security numbers on Form W-2.
- Sec. __15. Penalty for failure to meet due diligence requirements for the child tax credit.
- Sec. __16. Improvement in access to information in the National Directory of New Hires for tax administration purposes.
- Sec. __17. Taxpayer notification of suspected identity theft.
- Sec. __18. Study of expansion of PIN system for prevention of identity theft tax fraud.
- Sec. __19. Clarification with respect to regulation of Federal tax return preparers.

Subtitle C—Closing the Tax Gap

- Sec. __21. Improved information reporting on unreported and underreported financial accounts.
- Sec. __22. Additional information on returns relating to mortgage interest.
- Sec. __23. Tax reporting for life settlement transactions.
- Sec. __24. Clarification of tax basis of life insurance contracts.
- Sec. __25. Exception to transfer for valuable consideration rules.
- Sec. __26. Modification to information required on returns for higher education tuition and related expenses.
- Sec. __27. Clarification of information required to be reported with respect to a business.

Subtitle D—Expansion of Electronic Filing

- Sec. __31. Increase electronic filing of returns.
- Sec. __32. Increased authority for electronic filing of employee benefit plan tax information.

2

Subtitle E—Reforms Relating to Audit and Collections

- Sec. __41. 100 percent continuous levy on payment to medicare providers and suppliers.
- Sec. __42. Waiver of user fee for installment agreements using automated withdrawals.
- Sec. __43. Revocation or denial of passport in case of certain unpaid taxes.

Subtitle F—Improvements to Tax Filing

- Sec. __51. New due date for partnership Form 1065, S corporation Form 1120S, and C corporation Form 1120.

Subtitle G—Taxpayer Access to Judicial Forum

- Sec. __61. Filing period for interest abatement cases.
- Sec. __62. Small tax case election for interest abatement cases.
- Sec. __63. Venue for appeal of spousal relief and collection cases.
- Sec. __64. Suspension of running of period for filing petition of spousal relief and collection cases.
- Sec. __65. Application of Federal rules of evidence.

Subtitle H—Other Provisions

- Sec. __71. Authority for limited sharing of business tax information with the Bureau of Economic Analysis and Bureau of Labor Statistics.
- Sec. __72. Increased refund and credit threshold for Joint Committee on Taxation review of C corporation return.

1 **Subtitle A—Reforms Relating to**
2 **Information Returns**

3 **SEC. __01. ACCELERATED FILING OF CERTAIN RETURNS.**

4 (a) IN GENERAL.—Subsection (b) of section 6071 is
5 amended to read as follows:

6 “(b) DUE DATE FOR CERTAIN RETURNS FILED
7 WITH THE SECRETARY.—Returns filed with the Secretary
8 under subparts B and C of part III of this subchapter
9 shall be filed on or before February 21 of the year fol-
10 lowing the calendar year to which such returns relate.”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to returns the due date for which

1 (determined without regard to extensions) is after Decem-
2 ber 31, 2014.

3 (c) STUDY REGARDING ADMINISTRATIVE IMPLEMEN-
4 TATION.—Not later than January 1, 2016, the Secretary
5 of the Treasury (or such Secretary's delegate) shall pro-
6 vide a report to the Committee on Finance of the Senate
7 and the Committee on Ways and Means of the House of
8 Representatives with respect to the accelerated filing of
9 returns by reason of the amendment made by subsection
10 (a). Such report shall include—

11 (1) a recommendation of whether the due dates
12 for filing Forms W-2, W-3, and 1099 with the Inter-
13 nal Revenue Service and the Social Security Admin-
14 istration (as applicable) should be accelerated to
15 January 31 to match the due date for furnishing
16 copies of such forms to the recipient of the reported
17 income, and

18 (2) recommendations for processes—

19 (A) to match the information reported on
20 Forms W-2, W-3, and 1099 for the effective
21 processing of returns and accurate determina-
22 tion of refunds, and

23 (B) to correct errors on such documents.

1 **SEC. __02. SAFE HARBOR FOR DE MINIMIS ERRORS ON IN-**
2 **FORMATION RETURNS AND PAYEE STATE-**
3 **MENTS.**

4 (a) IN GENERAL.—Subsection (c) of section 6721 is
5 amended—

6 (1) by striking “EXCEPTION FOR DE MINIMIS
7 FAILURE TO INCLUDE ALL REQUIRED INFORMA-
8 TION” in the heading and inserting “EXCEPTIONS
9 FOR CERTAIN DE MINIMIS FAILURES”,

10 (2) by striking “IN GENERAL” in the heading of
11 paragraph (1) and inserting “EXCEPTION FOR DE
12 MINIMIS FAILURE TO INCLUDE ALL REQUIRED IN-
13 FORMATION”, and

14 (3) by adding at the end the following new
15 paragraph:

16 “(3) SAFE HARBOR FOR CERTAIN DE MINIMIS
17 ERRORS.—

18 “(A) IN GENERAL.—If, with respect to an
19 information return filed with the Secretary—

20 “(i) there are 1 or more failures de-
21 scribed in subsection (a)(2)(B) relating to
22 an incorrect dollar amount, and

23 “(ii) no single amount in error differs
24 from the correct amount by more than
25 \$25,

1 then no correction shall be required and, for
2 purposes of this section, such return shall be
3 treated as having been filed with all of the cor-
4 rect required information.

5 “(B) EXCEPTION.—Subparagraph (A)
6 shall not apply to returns required under sec-
7 tion 6049.”.

8 (b) FAILURE TO FURNISH CORRECT PAYEE STATE-
9 MENTS.—Subsection (c) of section 6722 is amended by
10 adding at the end the following new paragraph:

11 “(3) SAFE HARBOR FOR CERTAIN DE MINIMIS
12 ERRORS.—

13 “(A) IN GENERAL.—If, with respect to any
14 payee statement—

15 “(i) there are 1 or more failures de-
16 scribed in subsection (a)(2)(B) relating to
17 an incorrect dollar amount, and

18 “(ii) no single amount in error differs
19 from the correct amount by more than
20 \$25,

21 then no correction shall be required and, for
22 purposes of this section, such statement shall be
23 treated as having been filed with all of the cor-
24 rect required information.

1 “(B) EXCEPTION.—Subparagraph (A)
2 shall not apply to payee statements required
3 under section 6049.”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) Subsection (i) of section 408 is amended by
6 striking “\$10” and inserting “\$25”.

7 (2) Paragraph (5) of section 3406(b) is amend-
8 ed—

9 (A) by striking “\$10” both places it ap-
10 pears and inserting “\$25”, and

11 (B) by adding at the end the following
12 flush text:

13 “The preceding sentence shall not apply to payments
14 of interest to which section 6049 applies.”.

15 (3) Subparagraphs (A) and (B) of section
16 6042(a)(1) are each amended by striking “\$10” and
17 inserting “\$25”.

18 (4) Paragraph (2) of section 6042(a) is amend-
19 ed by striking “\$10” and inserting “\$25”.

20 (5) Paragraphs (1) and (2) of section 6044(a)
21 are each amended by striking “\$10” and inserting
22 “\$25”.

23 (6) Paragraph (1) of section 6047(d) is amend-
24 ed by striking “\$10” and inserting “\$25”.

1 (7) Subsection (a) of section 6050B is amended
2 by striking “\$10” and inserting “\$25”.

3 (8) Subsection (a) of section 6050E is amended
4 by striking “\$10” and inserting “\$25”.

5 (9) Paragraphs (1) and (2) of section 6050N(a)
6 are each amended by striking “\$10” and inserting
7 “\$25”.

8 (10) Paragraphs (1) and (2) of section 6652(a)
9 are each amended by striking “\$10” and inserting
10 “\$25”.

11 (11) The heading of subsection (a) of section
12 6652 is amended by striking “\$10” and inserting
13 “\$25”.

14 (d) **EFFECTIVE DATE.**—The amendments made by
15 this section shall apply to information returns required to
16 be filed, and payee statements required to be provided, on
17 or after the date of the enactment of this Act.

18 **SEC. _03. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

19 (a) **IN GENERAL.**—Not later than 3 years after the
20 date of the enactment of this Act, the Secretary of the
21 Treasury (or such Secretary’s delegate) shall make avail-
22 able an Internet website or other electronic media, similar
23 to the Business Services Online Suite of Services provided
24 by the Social Security Administration, that will provide

1 taxpayers access to resources and guidance provided by
2 the Internal Revenue Service and will allow taxpayers to—

3 (1) prepare and file (in batches of not more
4 than 50) Forms 1099,

5 (2) prepare Forms 1099 for distribution to re-
6 cipients other than the Internal Revenue Service,
7 and

8 (3) create and maintain necessary taxpayer
9 records.

10 (b) EARLY IMPLEMENTATION FOR FORMS 1099-
11 MISC.—Not later than 1 year after the date of the enact-
12 ment of this Act, the Internet website under subsection
13 (a) shall be available in a partial form that will allow tax-
14 payers to take the actions described in such subsection
15 with respect to Forms 1099-MISC required to be filed or
16 distributed by such taxpayers.

17 **SEC. _04. REQUIREMENT THAT ELECTRONICALLY PRE-**
18 **PARED PAPER RETURNS INCLUDE SCAN-**
19 **NABLE CODE.**

20 (a) IN GENERAL.—Subsection (e) of section 6011 is
21 amended by adding at the end the following new para-
22 graph:

23 “(5) SPECIAL RULE FOR RETURNS PREPARED
24 ELECTRONICALLY AND SUBMITTED ON PAPER.—The
25 Secretary shall require that any return of tax which

1 is prepared electronically, but is printed and filed on
2 paper, bear a code which can, when scanned, convert
3 such return to electronic format.”.

4 (b) CONFORMING AMENDMENT.—Paragraph (1) of
5 section 6011(e) is amended by striking “paragraph (3)”
6 and inserting “paragraphs (3) and (5)”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to returns of tax the due date for
9 which (determined without regard to extensions) is after
10 December 31, 2014.

11 **Subtitle B—Prevention of Identity** 12 **Theft and Tax Fraud**

13 **SEC. 11. RESTRICTION ON ACCESS TO THE DEATH MAS-** 14 **TER FILE.**

15 (a) IN GENERAL.—The Secretary of Commerce shall
16 not disclose to any person information contained on the
17 Death Master File with respect to any deceased individual
18 at any time during the 3-calendar-year period beginning
19 on the date of the individual's death, unless such person
20 is certified under the program established under sub-
21 section (b).

22 (b) CERTIFICATION PROGRAM.—

23 (1) IN GENERAL.—The Secretary of Commerce
24 shall establish a program—

1 (A) to certify persons who are eligible to
2 access the information described in subsection
3 (a) contained on the Death Master File, and

4 (B) to perform periodic and unscheduled
5 audits of certified persons to determine the
6 compliance by such certified persons with the
7 requirements of the program.

8 (2) CERTIFICATION.—A person shall not be cer-
9 tified under the program established under para-
10 graph (1) unless such person certifies that access to
11 the information described in subsection (a) is appro-
12 priate because such person—

13 (A) has—

14 (i) a legitimate fraud prevention inter-
15 est, or

16 (ii) a legitimate business purpose pur-
17 suant to a law, governmental rule, regula-
18 tion, or fiduciary duty, and

19 (B) has systems, facilities, and procedures
20 in place to safeguard such information, and ex-
21 perience in maintaining the confidentiality, se-
22 curity, and appropriate use of such information,
23 pursuant to requirements similar to the require-
24 ments of section 6103(p)(4) of the Internal
25 Revenue Code of 1986, and

1 (C) agrees to satisfy the requirements of
2 such section 6103(p)(4) as if such section ap-
3 plied to such person.

4 (3) FEES.—

5 (A) IN GENERAL.—The Secretary of Com-
6 merce shall establish under section 9701 of title
7 31, United States Code, a program for the
8 charge of fees sufficient to cover (but not to ex-
9 ceed) all costs associated with evaluating appli-
10 cations for certification and auditing, inspect-
11 ing, and monitoring certified persons under the
12 program. Any fees so collected shall be depos-
13 ited and credited as offsetting collections to the
14 accounts from which such costs are paid.

15 (B) REPORT.—The Secretary of Commerce
16 shall report on an annual basis to the Com-
17 mittee on Finance of the Senate and the Com-
18 mittee on Ways and Means of the House of
19 Representatives on the total fees collected dur-
20 ing the preceding year and the cost of admin-
21 istering the certification program under this
22 subsection for such year.

23 (c) IMPOSITION OF PENALTY.—

24 (1) IN GENERAL.—Any person who is certified
25 under the program established under subsection (b),

1 who receives information described in subsection (a),
2 and who during the period of time described in sub-
3 section (a)—

4 (A) discloses such information to any per-
5 son other than a person who meets the require-
6 ments of subparagraphs (A), (B), and (C) of
7 subsection (b)(2),

8 (B) discloses such information to any per-
9 son who uses the information for any purpose
10 not listed under subsection (b)(2)(A) or who
11 further discloses the information to a person
12 who does not meet such requirements, or

13 (C) uses any such information for any pur-
14 pose not listed under subsection (b)(2)(A),

15 and any person to whom such information is dis-
16 closed who further discloses or uses such informa-
17 tion as described in the preceding subparagraphs,
18 shall pay a penalty of \$1,000 for each such diselo-
19 sure or use.

20 (2) LIMITATION ON PENALTY.—

21 (A) IN GENERAL.—The total amount of
22 the penalty imposed under this subsection on
23 any person for any calendar year shall not ex-
24 ceed \$250,000.

1 (B) EXCEPTION FOR WILLFUL VIOLA-
2 TIONS.—Subparagraph (A) shall not apply in
3 the case of violations under paragraph (1) that
4 the Secretary of Commerce determines to be
5 willful or intentional violations.

6 (d) DEATH MASTER FILE.—For purposes of this sec-
7 tion, the term “Death Master File” means information on
8 the name, social security account number, date of birth,
9 and date of death of deceased individuals maintained by
10 the Commissioner of Social Security, other than informa-
11 tion that was provided to such Commissioner under sec-
12 tion 205(r) of the Social Security Act (42 U.S.C. 405(r)).

13 (e) EXEMPTION FROM FREEDOM OF INFORMATION
14 ACT REQUIREMENT WITH RESPECT TO CERTAIN
15 RECORDS OF DECEASED INDIVIDUALS.—

16 (1) IN GENERAL.—No Federal agency shall be
17 compelled to disclose the information described in
18 subsection (a) to any person who is not certified
19 under the program established under subsection (b).

20 (2) TREATMENT OF INFORMATION.—For pur-
21 poses of section 552 of title 5, United States Code,
22 this section shall be considered a statute described
23 in subsection (b)(3) of such section 552.

24 (f) EFFECTIVE DATE.—

1 (1) IN GENERAL.—Except as provided in para-
2 graph (2), this section shall take effect on the date
3 that is 90 days after the date of the enactment of
4 this Act.

5 (2) FOIA EXEMPTION.—Subsection (e) shall
6 take effect on the date of the enactment of this Act.

7 **SEC. _12. SINGLE POINT OF CONTACT FOR IDENTITY**
8 **THEFT VICTIMS.**

9 (a) IN GENERAL.—Not later than 180 days after the
10 date of the enactment of this Act, the Secretary of the
11 Treasury (or such Secretary's delegate) shall establish new
12 procedures to ensure that any taxpayer whose return has
13 been delayed or otherwise adversely affected due to mis-
14 appropriation of the taxpayer's taxpayer identity (as de-
15 fined in section 6103(b)(6) of the Internal Revenue Code
16 of 1986) has a single point of contact who—

17 (1) is an individual employee of the Internal
18 Revenue Service, and

19 (2) tracks the case of the taxpayer from start
20 to finish and coordinates with other specialized units
21 to resolve case issues as quickly as possible.

22 (b) CHANGE OF CONTACT.—The procedures under
23 subsection (a) shall provide that the single point of contact
24 may be changed—

25 (1) upon request of the taxpayer, or

1 (2) in any case where the individual employee
2 ceases employment or is otherwise unavailable for
3 any period, or a change is required to meet agency
4 staffing needs, but only if the taxpayer is notified of
5 any such change within 5 business days.

6 **SEC. _13. CRIMINAL PENALTY FOR MISAPPROPRIATING**
7 **TAXPAYER IDENTITY IN CONNECTION WITH**
8 **TAX FRAUD.**

9 (a) IN GENERAL.—Section 7206 is amended—

10 (1) by striking “Any person” and inserting the
11 following:

12 “(a) IN GENERAL.—Any person”, and

13 (2) by adding at the end the following new sub-
14 section:

15 “(b) MISAPPROPRIATION OF IDENTITY.—Any person
16 who willfully misappropriates another person’s taxpayer
17 identity (as defined in section 6103(b)(6)) for the purpose
18 of making any list, return, account, statement, or other
19 document submitted to the Secretary under the provisions
20 of this title shall be guilty of a felony and, upon conviction
21 thereof, shall be fined not more than \$250,000 (\$500,000
22 in the case of a corporation) or imprisoned not more than
23 5 years, or both, together with the costs of prosecution.”.

24 (b) AGGRAVATED IDENTITY THEFT.—Section
25 1028A(c) of title 18, United States Code, is amended by

1 striking “or” at the end of paragraph (10), by striking
2 the period at the end of paragraph (11) and inserting “;
3 or”, and by adding at the end the following new para-
4 graph:

5 “(12) section 7206(b) of the Internal Revenue
6 Code of 1986 (relating to misappropriation of iden-
7 tity in connection with tax fraud).”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to offenses committed on or after
10 the date of the enactment of this Act.

11 **SEC. 14. EXTEND INTERNAL REVENUE SERVICE AUTHOR-**
12 **ITY TO REQUIRE TRUNCATED SOCIAL SECU-**
13 **RITY NUMBERS ON FORM W-2.**

14 (a) IN GENERAL.—Paragraph (2) of section 6051(a)
15 is amended by striking “his social security number” and
16 inserting “an identifying number for the employee”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall take effect on the date of the enactment
19 of this Act.

20 **SEC. 15. PENALTY FOR FAILURE TO MEET DUE DILI-**
21 **GENCE REQUIREMENTS FOR THE CHILD TAX**
22 **CREDIT.**

23 (a) IN GENERAL.—Section 6695 is amended by add-
24 ing at the end the following new subsection:

1 “(h) FAILURE TO BE DILIGENT IN DETERMINING
2 ELIGIBILITY FOR CHILD TAX CREDIT.—Any person who
3 is a tax return preparer with respect to any return or
4 claim for refund who fails to comply with due diligence
5 requirements imposed by the Secretary by regulations with
6 respect to determining eligibility for, or the amount of,
7 the credit allowable by section 24 shall pay a penalty of
8 \$500 for each such failure.”.

9 (b) EFFECTIVE DATE.—The amendment made by
10 this section shall apply to taxable years beginning after
11 December 31, 2014.

12 **SEC. _16. IMPROVEMENT IN ACCESS TO INFORMATION IN**
13 **THE NATIONAL DIRECTORY OF NEW HIRES**
14 **FOR TAX ADMINISTRATION PURPOSES.**

15 (a) IN GENERAL.—Paragraph (3) of section 453(i)
16 of the Social Security Act (42 U.S.C. 653(i)) is amended
17 to read as follows:

18 “(3) ADMINISTRATION OF FEDERAL TAX
19 LAWS.—The Secretary of the Treasury shall have
20 access to the information in the National Directory
21 of New Hires for purposes of administering the In-
22 ternal Revenue Code of 1986.”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 this section shall take effect on the date of the enactment
25 of this Act.

1 **SEC. __17. TAXPAYER NOTIFICATION OF SUSPECTED IDEN-**
2 **TITY THEFT.**

3 (a) **IN GENERAL.**—Chapter 77 is amended by adding
4 at the end the following new section:

5 **“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY**
6 **THEFT.**

7 “If the Secretary determines that there was an unau-
8 thorized use of the identity of any taxpayer, the Secretary
9 shall—

10 “(1) as soon as practicable and without jeop-
11 ardizing an investigation relating to tax administra-
12 tion, notify the taxpayer, and

13 “(2) if any person is criminally charged by in-
14 dictment or information relating to such unauthor-
15 ized use, notify such taxpayer as soon as practicable
16 of such charge.”.

17 (b) **CLERICAL AMENDMENT.**—The table of sections
18 for chapter 77 is amended by adding at the end the fol-
19 lowing new item:

“Sec. 7529. Notification of suspected identity theft.”.

20 (c) **EFFECTIVE DATE.**—The amendments made by
21 this section shall apply to determinations made after the
22 date of the enactment of this Act.

1 **SEC. __18. STUDY OF EXPANSION OF PIN SYSTEM FOR PRE-**
2 **VENTION OF IDENTITY THEFT TAX FRAUD.**

3 Not later than 1 year after the date of the enactment
4 of this Act, the Secretary of the Treasury (or such Sec-
5 retary's delegate) shall conduct a study of the Internal
6 Revenue Service program which assigns to any individual
7 taxpayer who has been a victim of identity theft a unique
8 personal identification number which is required to be in-
9 cluded on any subsequent Federal tax return filed by such
10 individual, and shall report to the Committee on Finance
11 of the Senate and the Committee on Ways and Means of
12 the House of Representatives on—

13 (1) the efficacy of such program in reducing tax
14 refund fraud, and

15 (2) whether such program can be converted into
16 an Internet system to allow any individual taxpayer
17 to opt in to an electronic system to authenticate the
18 taxpayer's identity for purposes of tax filing.

19 **SEC. __19. CLARIFICATION WITH RESPECT TO REGULATION**
20 **OF FEDERAL TAX RETURN PREPARERS.**

21 (a) IN GENERAL.—Subparagraph (D) of section
22 330(a)(2) of title 31, United States Code, is amended by
23 inserting “and in preparing and filing their tax returns”
24 before the period.

25 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendment made by
2 this section applies to regulations promulgated be-
3 fore, on, or after the date of the enactment of this
4 Act.

5 (2) EFFECT ON EXISTING PROCEEDINGS.—
6 Nothing in this section shall be construed to create
7 a negative inference with respect to the application
8 of section 330 of title 31, United States Code, or the
9 authority of the Secretary of the Treasury under
10 such section, with respect to regulations promul-
11 gated before the date of the enactment of this Act.

12 **Subtitle C—Closing the Tax Gap**

13 **SEC. 21. IMPROVED INFORMATION REPORTING ON UNRE-** 14 **PORTED AND UNDERREPORTED FINANCIAL** 15 **ACCOUNTS.**

16 (a) ELIMINATION OF MINIMUM INTEREST REQUIRE-
17 MENT.—

18 (1) IN GENERAL.—Section 6049(a) is amended
19 by striking “aggregating \$10 or more” each place it
20 appears.

21 (2) CONFORMING AMENDMENTS.—Subpara-
22 graph (C) of section 6049(d)(5) is amended—

23 (A) by striking “which involves the pay-
24 ment of \$10 or more of interest”, and

1 (B) by striking “IN THE CASE OF TRANS-
2 ACTIONS INVOLVING \$10 OR MORE” in the head-
3 ing.

4 (3) EFFECTIVE DATE.—The amendments made
5 by this subsection shall apply to returns filed after
6 December 31, 2014.

7 (b) REPORTING OF NON-INTEREST BEARING DEPOS-
8 ITS.—

9 (1) IN GENERAL.—Subpart B of part III of
10 subchapter A of chapter 61 is amended by inserting
11 after section 6049 the following new section:

12 **“SEC. 6049A. RETURNS REGARDING NON-INTEREST BEAR-**
13 **ING DEPOSITS.**

14 “(a) REQUIREMENT OF REPORTING.—Every person
15 who holds a reportable deposit during any calendar year
16 shall make a return according to the forms or regulations
17 prescribed by the Secretary, setting forth the name and
18 address of the person for whom such deposit was held.

19 “(b) REPORTABLE DEPOSIT.—For purposes of this
20 section—

21 “(1) IN GENERAL.—The term ‘reportable de-
22 posit’ means—

23 “(A) any amount on deposit with—

24 “(i) a person carrying on the banking
25 business,

1 “(ii) a mutual savings bank, a savings
2 and loan association, a building and loan
3 association, a cooperative bank, a home-
4 stead association, a credit union, an indus-
5 trial loan association or bank, or any simi-
6 lar organization,

7 “(iii) a broker (as defined in section
8 6045(c)), or

9 “(iv) any other person provided in
10 regulations prescribed by the Secretary, or

11 “(B) to the extent provided by the Sec-
12 retary in regulations, any amount held by an
13 insurance company, an investment company (as
14 defined in section 3 of the Investment Company
15 Act of 1940), or held in other pooled funds or
16 trusts.

17 “(2) EXCEPTIONS.—Such term shall not in-
18 clude—

19 “(A) any amount with respect to which a
20 report is made under section 6049,

21 “(B) any amount on deposit with or held
22 by a natural person,

23 “(C) except to the extent provided in regu-
24 lations, any amount—

1 “(i) held with respect to a person de-
2 scribed in section 6049(b)(4),

3 “(ii) with respect to which section
4 6049(b)(5) would apply if a payment were
5 made with respect to such amount, or

6 “(iii) on deposit with or held by a per-
7 son described in section 6049(b)(2)(C), or

8 “(D) any amount for which the Secretary
9 determines there is already sufficient reporting.

10 “(c) STATEMENTS TO BE FURNISHED TO PERSONS
11 WITH RESPECT TO WHOM INFORMATION IS REQUIRED.—

12 “(1) IN GENERAL.—Every person required to
13 make a return under subsection (a) shall furnish to
14 each person whose name is required to be set forth
15 in such return a written statement showing—

16 “(A) the name, address, and phone num-
17 ber of the information contact of the person re-
18 quired to make such return, and

19 “(B) the reportable account with respect to
20 which such return was made.

21 “(2) TIME AND FORM OF STATEMENT.—The
22 written statement under paragraph (1)—

23 “(A) shall be furnished at a time and in a
24 manner similar to the time and manner that

1 statements are required to be filed under sec-
2 tion 6049(e)(2), and

3 “(B) shall be in such form as the Sec-
4 retary may prescribe by regulations.

5 “(d) PERSON.—For purposes of this section, the term
6 ‘person’, when referring to the person for whom a deposit
7 is held, includes any governmental unit and any agency
8 or instrumentality thereof and any international organiza-
9 tion and any agency or instrumentality thereof.”.

10 (2) ASSESSABLE PENALTIES.—

11 (A) FAILURE TO FILE RETURN.—Subpara-
12 graph (B) of section 6724(d)(1) is amended by
13 striking “or” at the end of clause (xxiv), by
14 striking “and” at the end of clause (xxv) and
15 inserting “or”, and by inserting after clause
16 (xxv) the following new clause:

17 “(xxvi) section 6049A (relating to re-
18 turns regarding non-interest bearing de-
19 posits), and”.

20 (B) FAILURE TO FILE PAYEE STATE-
21 MENT.—Paragraph (2) of section 6724(d) is
22 amended by striking “or” at the end of sub-
23 paragraph (GG), by striking the period at the
24 end of subparagraph (HH) and inserting “,

1 or”, and by inserting after subparagraph (HH)
2 the following new subparagraph:

3 “(II) section 6049A(c) (relating to returns
4 regarding non-interest bearing deposits).”.

5 (3) CONFORMING AMENDMENTS.—Subpara-
6 graph (B) of section 6721(c)(3) and subparagraph
7 (B) of section 6722(c)(3), as added by this Act, are
8 each amended by striking “6049” and inserting
9 “6049 and 6049A”.

10 (4) CLERICAL AMENDMENT.—The table of sec-
11 tion for subpart B of part III of subchapter A of
12 chapter 61 is amended by inserting after the item
13 relating to section 6049 the following new item:

“Sec. 6049A. Returns regarding non-interest bearing deposits.”.

14 (5) EFFECTIVE DATE.—The amendments made
15 by this subsection shall apply to returns filed after
16 December 31, 2014.

17 **SEC. 22. ADDITIONAL INFORMATION ON RETURNS RELAT-**
18 **ING TO MORTGAGE INTEREST.**

19 (a) IN GENERAL.—Paragraph (2) of section
20 6050H(b) is amended by striking “and” at the end of sub-
21 paragraph (C), by redesignating subparagraph (D) as sub-
22 paragraph (I), and by inserting after subparagraph (C)
23 the following new subparagraphs:

24 “(D) the unpaid balance with respect to
25 such mortgage,

1 “(E) the address of the property securing
2 such mortgage,

3 “(F) information with respect to whether
4 the mortgage is a refinancing that occurred in
5 such calendar year,

6 “(G) the amount of real estate taxes paid
7 from an escrow account with respect to the
8 property securing such mortgage,

9 “(H) the date of the origination of such
10 mortgage, and”.

11 (b) PAYEE STATEMENTS.—Subsection (d) of section
12 6050H is amended by striking “and” at the end of para-
13 graph (1), by striking the period at the end of paragraph
14 (2) and inserting “, and”, and by inserting after para-
15 graph (2) the following new paragraph:

16 “(3) the information required to be included on
17 the return under subparagraphs (D), (E), and (F)
18 of subsection (b)(2).”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to returns and statements the due
21 date for which (determined without regard to extensions)
22 is after December 31, 2014.

1 **SEC. 23. TAX REPORTING FOR LIFE SETTLEMENT TRANS-**
2 **ACTIONS.**

3 (a) IN GENERAL.—Subpart B of part III of sub-
4 chapter A of chapter 61 is amended by adding at the end
5 the following new section:

6 **“SEC. 6050X. RETURNS RELATING TO CERTAIN LIFE INSUR-**
7 **ANCE CONTRACT TRANSACTIONS.**

8 “(a) REQUIREMENT OF REPORTING OF CERTAIN
9 PAYMENTS.—

10 “(1) IN GENERAL.—Every person who acquires
11 a life insurance contract or any interest in a life in-
12 surance contract in a reportable policy sale during
13 any taxable year shall make a return for such tax-
14 able year (at such time and in such manner as the
15 Secretary shall prescribe) setting forth—

16 “(A) the name, address, and TIN of such
17 person,

18 “(B) the name, address, and TIN of each
19 recipient of payment in the reportable policy
20 sale,

21 “(C) the date of such sale,

22 “(D) the name of the issuer of the life in-
23 surance contract sold and the policy number of
24 such contract, and

25 “(E) the amount of each payment.

1 “(2) STATEMENT TO BE FURNISHED TO PER-
2 SONS WITH RESPECT TO WHOM INFORMATION IS RE-
3 QUIRED.—Every person required to make a return
4 under this subsection shall furnish to each person
5 whose name is required to be set forth in such re-
6 turn a written statement showing—

7 “(A) the name, address, and phone num-
8 ber of the information contact of the person re-
9 quired to make such return, and

10 “(B) the information required to be shown
11 on such return with respect to such person, ex-
12 cept that in the case of an issuer of a life insur-
13 ance contract, such statement is not required to
14 include the information specified in paragraph
15 (1)(E).

16 “(b) REQUIREMENT OF REPORTING OF SELLER'S
17 BASIS IN LIFE INSURANCE CONTRACTS.—

18 “(1) IN GENERAL.—Upon receipt of the state-
19 ment required under subsection (a)(2) or upon no-
20 tice of a transfer of a life insurance contract to a
21 foreign person, each issuer of a life insurance con-
22 tract shall make a return (at such time and in such
23 manner as the Secretary shall prescribe) setting
24 forth—

1 “(A) the name, address, and TIN of the
2 seller who transfers any interest in such con-
3 tract in such sale,

4 “(B) the investment in the contract (as de-
5 fined in section 72(e)(6)) with respect to such
6 seller, and

7 “(C) the policy number of such contract.

8 “(2) STATEMENT TO BE FURNISHED TO PER-
9 SONS WITH RESPECT TO WHOM INFORMATION IS RE-
10 QUIRED.—Every person required to make a return
11 under this subsection shall furnish to each person
12 whose name is required to be set forth in such re-
13 turn a written statement showing—

14 “(A) the name, address, and phone num-
15 ber of the information contact of the person re-
16 quired to make such return, and

17 “(B) the information required to be shown
18 on such return with respect to each seller whose
19 name is required to be set forth in such return.

20 “(c) REQUIREMENT OF REPORTING WITH RESPECT
21 TO REPORTABLE DEATH BENEFITS.—

22 “(1) IN GENERAL.—Every person who makes a
23 payment of reportable death benefits during any tax-
24 able year shall make a return for such taxable year

1 (at such time and in such manner as the Secretary
2 shall prescribe) setting forth—

3 “(A) the name, address, and TIN of the
4 person making such payment,

5 “(B) the name, address, and TIN of each
6 recipient of such payment,

7 “(C) the date of each such payment, and

8 “(D) the amount of each such payment.

9 “(2) STATEMENT TO BE FURNISHED TO PER-
10 SONS WITH RESPECT TO WHOM INFORMATION IS RE-
11 QUIRED.—Every person required to make a return
12 under this subsection shall furnish to each person
13 whose name is required to be set forth in such re-
14 turn a written statement showing—

15 “(A) the name, address, and phone num-
16 ber of the information contact of the person re-
17 quired to make such return, and

18 “(B) the information required to be shown
19 on such return with respect to each recipient of
20 payment whose name is required to be set forth
21 in such return.

22 “(d) DEFINITIONS.—For purposes of this section—

23 “(1) PAYMENT.—The term ‘payment’ means
24 the amount of cash and the fair market value of any
25 consideration transferred in a reportable policy sale.

1 “(2) REPORTABLE DEATH BENEFITS.—The
2 term ‘reportable death benefits’ means amounts paid
3 by reason of the death of the insured under a life
4 insurance contract that has been transferred in a re-
5 reportable policy sale.

6 “(3) REPORTABLE POLICY SALE.—The term
7 ‘reportable policy sale’ has the meaning given such
8 term in section 101(a)(3)(B).

9 “(4) ISSUER.—The term ‘issuer’ means any life
10 insurance company that bears the risk with respect
11 to a life insurance contract on the date any return
12 or statement is required to be made under this sec-
13 tion.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for subpart B of part III of subchapter A of chapter 61
16 is amended by inserting after the item relating to section
17 6050W the following new item:

“Sec. 6050X. Returns relating to certain life insurance contract transactions.”.

18 (c) CONFORMING AMENDMENTS.—

19 (1) Subsection (d) of section 6724, as amended
20 by this Act, is amended—

21 (A) by striking “or” at the end of clause
22 (xxxv) of paragraph (1)(B), by striking “and” at
23 the end of clause (xxvi) of such paragraph and
24 inserting “or”, and by inserting after such
25 clause (xxvi) the following new clause:

1 “(xxvii) section 6050X (relating to re-
2 turns relating to certain life insurance con-
3 tract transactions), and”, and

4 (B) by striking “or” at the end of subpara-
5 graph (HH) of paragraph (2), by striking the
6 period at the end of subparagraph (II) of such
7 paragraph and inserting “, or”, and by insert-
8 ing after such subparagraph (II) the following
9 new subparagraph:

10 “(JJ) subsection (a)(2), (b)(2), or (c)(2) of
11 section 6050X (relating to returns relating to
12 certain life insurance contract transactions).”.

13 (2) Section 6047 is amended—

14 (A) by redesignating subsection (g) as sub-
15 section (h),

16 (B) by inserting after subsection (f) the
17 following new subsection:

18 “(g) INFORMATION RELATING TO LIFE INSURANCE
19 CONTRACT TRANSACTIONS.—This section shall not apply
20 to any information which is required to be reported under
21 section 6050X.”, and

22 (C) by adding at the end of subsection (h),
23 as so redesignated, the following new para-
24 graph:

1 “(4) For provisions requiring reporting of infor-
2 mation relating to certain life insurance contract
3 transactions, see section 6050X.”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to—

6 (1) reportable policy sales after December 31,
7 2014, and

8 (2) reportable death benefits paid after Decem-
9 ber 31, 2014.

10 **SEC. 24. CLARIFICATION OF TAX BASIS OF LIFE INSUR-**
11 **ANCE CONTRACTS.**

12 (a) IN GENERAL.—Paragraph (1) of section 1016(a)
13 is amended by striking subparagraph (A) and all that fol-
14 lows and inserting the following:

15 “(A) for—

16 “(i) taxes or other carrying charges
17 described in section 266, or

18 “(ii) expenditures described in section
19 173 (relating to circulation expenditures),
20 for which deductions have been taken by the
21 taxpayer in determining taxable income for the
22 taxable year or prior taxable years; or

23 “(B) for mortality, expense, or other rea-
24 sonable charges incurred under an annuity or
25 life insurance contract;”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to transactions entered into after
3 August 25, 2009.

4 **SEC. 25. EXCEPTION TO TRANSFER FOR VALUABLE CON-**
5 **SIDERATION RULES.**

6 (a) IN GENERAL.—Subsection (a) of section 101 is
7 amended by adding at the end the following new para-
8 graph:

9 “(3) EXCEPTION TO VALUABLE CONSIDERATION
10 RULES FOR COMMERCIAL TRANSFERS.—

11 “(A) IN GENERAL.—The second sentence
12 of paragraph (2) shall not apply in the case of
13 a transfer of a life insurance contract, or any
14 interest therein, which is a reportable policy
15 sale.

16 “(B) REPORTABLE POLICY SALE.—For
17 purposes of this paragraph, the term ‘reportable
18 policy sale’ means the acquisition for valuable
19 consideration of an interest in a life insurance
20 contract, directly or indirectly, if the acquirer
21 has no substantial family, business, or financial
22 relationship with the insured apart from the
23 acquirer’s interest in such life insurance con-
24 tract. For purposes of the preceding sentence,
25 the term ‘indirectly’ applies to the acquisition of

1 an interest in a partnership, trust, or other en-
2 tity that holds an interest in the life insurance
3 contract.”.

4 (b) CONFORMING AMENDMENT.—Paragraph (1) of
5 section 101(a) is amended by striking “paragraph (2)”
6 and inserting “paragraphs (2) and (3)”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to transfers after December 31,
9 2014.

10 **SEC. 26. MODIFICATION TO INFORMATION REQUIRED ON**
11 **RETURNS FOR HIGHER EDUCATION TUITION**
12 **AND RELATED EXPENSES.**

13 (a) IN GENERAL.—Clause (i) of section
14 6050S(b)(2)(B) is amended by striking “payments re-
15 ceived or the aggregate amount billed” and inserting “pay-
16 ments received”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to expenses paid or assessed after
19 the date of the enactment of this Act (in taxable years
20 ending after such date), for education furnished in aca-
21 demic periods beginning after such date.

1 **SEC. 27. CLARIFICATION OF INFORMATION REQUIRED TO**
2 **BE REPORTED WITH RESPECT TO A BUSI-**
3 **NESS.**

4 (a) IN GENERAL.—Section 6011 is amended by re-
5 designating subsection (h) as subsection (i) and by insert-
6 ing after subsection (g) the following new subsection:

7 “(h) INFORMATION REQUIRED TO BE REPORTED
8 WITH RESPECT TO A BUSINESS.—The Secretary shall re-
9 quire that taxpayers engaged in a trade or business in-
10 clude the following information with the return of tax:

11 “(1) ADDITIONAL GROSS RECEIPTS INFORMA-
12 TION.—The total amount of—

13 “(A) gross receipts or sales reported to the
14 taxpayer through payee statements (as defined
15 in section 6724(d)(2)) and the number of such
16 payee statements received by the taxpayer, and

17 “(B) gross receipts or sales not included
18 under subparagraph (A).

19 “(2) ADDITIONAL EXPENSE INFORMATION.—
20 With respect to payments made by the taxpayer in
21 connection with any trade or business—

22 “(A) the total of amounts reported by the
23 taxpayer through payee statements (as so de-
24 fined),

25 “(B) the number of payee statements (as
26 so defined) furnished by the taxpayer, and

1 “(C) such other information as the Sec-
2 retary deems necessary with respect to pay-
3 ments in connection with goods and services.”.

4 (b) REPORT ON IMPROVING VOLUNTARY COMPLI-
5 ANCE BY SOLE PROPRIETORS.—

6 (1) IN GENERAL.—Not later than 3 years after
7 the date of the enactment of this Act, the Secretary
8 of the Treasury (or such Secretary's delegate) shall
9 submit to Congress a report setting forth rec-
10 ommendations on—

11 (A) whether the Internal Revenue Service
12 should provide additional assistance to first-
13 time business filers by means of regular com-
14 munications, a small business hotline, a pub-
15 lished resource guide, or automatic or com-
16 puter-generated “soft” notices,

17 (B) ways in which the Internal Revenue
18 Service can work with small businesses, trade
19 representatives, tax preparation software firms,
20 and paid preparer representatives to determine
21 whether and how specific changes to existing
22 education and guidance would help those filing
23 forms relating to businesses,

24 (C) ways to clarify the instructions for
25 forms relating to businesses to indicate that in-

1 formation returns may be required to be filed
2 by sole proprietors who deduct expenses for
3 wages, fees, and commissions,

4 (D) identification and analysis of the best
5 practices that are utilized by States and by for-
6 eign governments with respect to encouraging
7 voluntary tax compliance by sole proprietors,
8 and ways these best practices may be adopted
9 by the Internal Revenue Service,

10 (E) whether, in the case of tax returns
11 containing income from a trade or business, the
12 inclusion of a checkbox or other indicator indi-
13 cating whether the taxpayer had a 1099-MISC
14 filing requirement would affect voluntary com-
15 pliance by taxpayers, and

16 (F) such other improvements with respect
17 to improving voluntary compliance by sole pro-
18 prietors as the Secretary determines is appro-
19 priate.

20 (2) USE OF DATA.—The recommendations sub-
21 mitted in the report under paragraph (1) shall,
22 wherever possible, be based on empirical data, agen-
23 cy-conducted tests, and quantitative evidence.

24 (c) EFFECTIVE DATE.—The amendment made by
25 subsection (a) shall apply to returns the due date for

1 which (determined without regard to extensions) is after
2 December 31, 2014.

3 **Subtitle D—Expansion of**
4 **Electronic Filing**

5 **SEC. 31. INCREASE ELECTRONIC FILING OF RETURNS.**

6 (a) IN GENERAL.—Subparagraph (A) of section
7 6011(e)(2) is amended by striking “250” and inserting
8 “the applicable number of”.

9 (b) APPLICABLE NUMBER.—Subsection (e) of section
10 6011, as amended by this Act, is amended by adding at
11 the end the following new paragraph:

12 “(6) APPLICABLE NUMBER.—For purposes of
13 paragraph (2)(A), the applicable number is—

14 “(A) in the case of returns and statements
15 relating to calendar years before 2015, 250,

16 “(B) in the case of returns and statements
17 relating to calendar year 2015, 100,

18 “(C) in the case of returns and statements
19 relating to calendar year 2016, 50, and

20 “(D) in the case of returns and statements
21 relating to calendar years after 2016, 25.”.

22 (c) RETURNS FILED BY A TAX RETURN PRE-
23 PARER.—

24 (1) IN GENERAL.—Subparagraph (A) of section
25 6011(e)(3) is amended to read as follows:

1 “(A) IN GENERAL.—The Secretary shall
2 require that any individual income tax return
3 prepared by a tax return preparer be filed on
4 magnetic media. The Secretary may waive the
5 requirement of the preceding sentence if the
6 Secretary determines, on the basis of an appli-
7 cation by the tax return preparer, that the pre-
8 parer cannot meet such requirement based on
9 technological constraints (including lack of ac-
10 cess to the Internet).”.

11 (2) CONFORMING AMENDMENT.—Paragraph (3)
12 of section 6011(e) is amended by striking subpara-
13 graph (B), and by redesignating subparagraph (C)
14 as subparagraph (B).

15 (d) PERSONS REQUIRED TO FILE SCHEDULE M-3.—
16 The last sentence of section 6011(e)(2) is amended by in-
17 serting “, and any corporation or partnership that has as-
18 sets in excess of \$10,000,000 on the last day of the taxable
19 year,” after “100 partners”.

20 (e) TAX-EXEMPT ORGANIZATIONS.—Section 6033 is
21 amended—

22 (1) by redesignating subsection (n) as sub-
23 section (o), and

24 (2) by inserting after subsection (m) the fol-
25 lowing new subsection:

1 “(n) REQUIREMENT OF ELECTRONIC FILING.—

2 “(1) IN GENERAL.—Any return or other state-
3 ment required to be filed with the Secretary under
4 this section shall be filed on magnetic media.

5 “(2) OPPORTUNITY TO APPLY FOR WAIVER.—
6 The Secretary may waive the requirement of para-
7 graph (1) if the Secretary determines, on the basis
8 of an application by the organization, that the orga-
9 nization cannot meet such requirement based on
10 technological constraints (including lack of access to
11 the Internet).”.

12 (f) CONFORMING AMENDMENT RELATING TO PUB-
13 LICITY OF INFORMATION.—Subsection (b) of section 6104
14 is amended by striking “to the public at such times” and
15 inserting “to the public in electronic format, at such
16 times”.

17 (g) EFFECTIVE DATES.—

18 (1) IN GENERAL.—Except as provided in para-
19 graph (2), the amendments made by this section
20 shall apply to returns the due date for which (deter-
21 mined without regard to extensions) is after Decem-
22 ber 31, 2014.

23 (2) TRANSITION RELIEF.—In the case of an or-
24 ganization required to file electronic returns by rea-
25 son of section 6033(n) of the Internal Revenue Code

1 of 1986, as added by subsection (e), for whom such
2 requirement would present a hardship without addi-
3 tional transition time, the Secretary of the Treasury
4 may delay the application of such requirement for
5 up to 3 years from the date specified in paragraph
6 (1).

7 **SEC. _32. INCREASED AUTHORITY FOR ELECTRONIC FIL-**
8 **ING OF EMPLOYEE BENEFIT PLAN TAX IN-**
9 **FORMATION.**

10 (a) IN GENERAL.—Paragraph (2) of section 6011(e),
11 as amended by this Act, is amended by adding at the end
12 the following new sentence: “Subparagraph (A) shall not
13 apply in the case of a return, report, statement, or notifi-
14 cation required by section 6039D, 6057 (other than a
15 statement required under subsection (e) thereof), 6058, or
16 6059.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to plan years beginning after De-
19 cember 31, 2014.

20 **Subtitle E—Reforms Relating to**
21 **Audit and Collections**

22 **SEC. _41. 100 PERCENT CONTINUOUS LEVY ON PAYMENT**
23 **TO MEDICARE PROVIDERS AND SUPPLIERS.**

24 (a) IN GENERAL.—Paragraph (3) of section 6331(h)
25 is amended by striking the period at the end and inserting

1 “, or to a Medicare provider or supplier under title XVIII
2 of the Social Security Act.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to levies issued on or after the date
5 which is 180 days after the date of the enactment of this
6 Act.

7 **SEC. 42. WAIVER OF USER FEE FOR INSTALLMENT**
8 **AGREEMENTS USING AUTOMATED WITH-**
9 **DRAWALS.**

10 (a) **IN GENERAL.**—Section 6159 is amended by re-
11 designating subsections (e) and (f) as subsections (f) and
12 (g), respectively, and by inserting after subsection (d) the
13 following new subsection:

14 “(e) **WAIVER OF USER FEES FOR INSTALLMENT**
15 **AGREEMENTS USING AUTOMATED WITHDRAWALS.**—In
16 the case of a taxpayer who enters into an installment
17 agreement in which automated installment payments are
18 agreed to, the Secretary shall waive the fee (if any) for
19 entering into the installment agreement.”.

20 (b) **EFFECTIVE DATE.**—The amendments made by
21 this section shall apply to agreements entered into on or
22 after the date which is 180 days after the date of the en-
23 actment of this Act.

1 **SEC. __43. REVOCATION OR DENIAL OF PASSPORT IN CASE**
2 **OF CERTAIN UNPAID TAXES.**

3 (a) IN GENERAL.—Subchapter D of chapter 75 is
4 amended by adding at the end the following new section:

5 **“SEC. 7345. REVOCATION OR DENIAL OF PASSPORT IN CASE**
6 **OF CERTAIN TAX DELINQUENCIES.**

7 “(a) IN GENERAL.—If the Secretary receives certifi-
8 cation by the Commissioner of Internal Revenue that any
9 individual has a seriously delinquent tax debt in an
10 amount in excess of \$50,000, the Secretary shall transmit
11 such certification to the Secretary of State for action with
12 respect to denial, revocation, or limitation of a passport
13 pursuant to section [__43(d) of the
14 _____ Act].

15 “(b) SERIOUSLY DELINQUENT TAX DEBT.—For pur-
16 poses of this section, the term ‘seriously delinquent tax
17 debt’ means an outstanding debt under this title for which
18 a notice of lien has been filed in public records pursuant
19 to section 6323 or a notice of levy has been filed pursuant
20 to section 6331, except that such term does not include—

21 “(1) a debt that is being paid in a timely man-
22 ner pursuant to an agreement under section 6159 or
23 7122, and

24 “(2) a debt with respect to which collection is
25 suspended because a collection due process hearing

1 under section 6330, or relief under subsection (b),
2 (c), or (f) of section 6015, is requested or pending.

3 “(c) ADJUSTMENT FOR INFLATION.—In the case of
4 a calendar year beginning after 2014, the dollar amount
5 in subsection (a) shall be increased by an amount equal
6 to—

7 “(1) such dollar amount, multiplied by

8 “(2) the cost-of-living adjustment determined
9 under section 1(f)(3) for the calendar year, deter-
10 mined by substituting ‘calendar year 2013’ for ‘cal-
11 endar year 1992’ in subparagraph (B) thereof.

12 If any amount as adjusted under the preceding sentence
13 is not a multiple of \$1,000, such amount shall be rounded
14 to the next highest multiple of \$1,000.”.

15 (b) CLERICAL AMENDMENT.—The table of sections
16 for subchapter D of chapter 75 is amended by adding at
17 the end the following new item:

“Sec. 7345. Revocation or denial of passport in case of certain tax delin-
quencies.”.

18 (c) AUTHORITY FOR INFORMATION SHARING.—

19 (1) IN GENERAL.—Subsection (l) of section
20 6103 is amended by adding at the end the following
21 new paragraph:

22 “(23) DISCLOSURE OF RETURN INFORMATION
23 TO DEPARTMENT OF STATE FOR PURPOSES OF PASS-
24 PORT REVOCATION UNDER SECTION 7345.—

1 “(A) IN GENERAL.—The Secretary shall,
2 upon receiving a certification described in sec-
3 tion 7345, disclose to the Secretary of State re-
4 turn information with respect to a taxpayer who
5 has a seriously delinquent tax debt described in
6 such section. Such return information shall be
7 limited to—

8 “(i) the taxpayer identity information
9 with respect to such taxpayer, and

10 “(ii) the amount of such seriously de-
11 linquent tax debt.

12 “(B) RESTRICTION ON DISCLOSURE.—Re-
13 turn information disclosed under subparagraph
14 (A) may be used by officers and employees of
15 the Department of State for the purposes of,
16 and to the extent necessary in, carrying out the
17 requirements of section 43(d) of the
18 _____

19 Act].”.

20 (2) CONFORMING AMENDMENT.—Paragraph (4)
21 of section 6103(p) is amended by striking “or (22)”
22 each place it appears in subparagraph (F)(ii) and in
23 the matter preceding subparagraph (A) and insert-
24 ing “(22), or (23)”.

25 (d) AUTHORITY TO DENY OR REVOKE PASSPORT.—

1 (1) DENIAL.—

2 (A) IN GENERAL.—Except as provided
3 under subparagraph (B), upon receiving a cer-
4 tification described in section 7345 of the Inter-
5 nal Revenue Code of 1986 from the Secretary
6 of the Treasury, the Secretary of State shall
7 not issue a passport to any individual who has
8 a seriously delinquent tax debt described in
9 such section.

10 (B) EMERGENCY AND HUMANITARIAN SIT-
11 UATIONS.—Notwithstanding subparagraph (A),
12 the Secretary of State may issue a passport, in
13 emergency circumstances or for humanitarian
14 reasons, to an individual described in such sub-
15 paragraph.

16 (2) REVOCATION.—

17 (A) IN GENERAL.—The Secretary of State
18 may revoke a passport previously issued to any
19 individual described in paragraph (1)(A).

20 (B) LIMITATION FOR RETURN TO UNITED
21 STATES.—If the Secretary of State decides to
22 revoke a passport under subparagraph (A), the
23 Secretary of State, before revocation, may—

1 (i) limit a previously issued passport
2 only for return travel to the United States;

3 or

4 (ii) issue a limited passport that only
5 permits return travel to the United States.

6 (3) HOLD HARMLESS.—The Secretary of the
7 Treasury and the Secretary of State shall not be lia-
8 ble to an individual for any action with respect to a
9 certification by the Commissioner of Internal Rev-
10 enue under section 7345 of the Internal Revenue
11 Code of 1986.

12 (e) REVOCATION OR DENIAL OF PASSPORT IN CASE
13 OF INDIVIDUAL WITHOUT SOCIAL SECURITY ACCOUNT
14 NUMBER.—

15 (1) DENIAL.—

16 (A) IN GENERAL.—Except as provided
17 under subparagraph (B), upon receiving an ap-
18 plication for a passport from an individual that
19 either—

20 (i) does not include the social security
21 account number issued to that individual,

22 or

23 (ii) includes an incorrect or invalid so-
24 cial security number willfully, intentionally,

1 negligently, or recklessly provided by such
2 individual,
3 the Secretary of State is authorized to deny
4 such application and is authorized to not issue
5 a passport to the individual.

6 (B) EMERGENCY AND HUMANITARIAN SIT-
7 UATIONS.—Notwithstanding subparagraph (A),
8 the Secretary of State may issue a passport, in
9 emergency circumstances or for humanitarian
10 reasons, to an individual described in subpara-
11 graph (A).

12 (2) REVOCATION.—

13 (A) IN GENERAL.—The Secretary of State
14 may revoke a passport previously issued to any
15 individual described in paragraph (1)(A).

16 (B) LIMITATION FOR RETURN TO UNITED
17 STATES.—If the Secretary of State decides to
18 revoke a passport under subparagraph (A), the
19 Secretary of State, before revocation, may—

20 (i) limit a previously issued passport
21 only for return travel to the United States;

22 or

23 (ii) issue a limited passport that only
24 permits return travel to the United States.

1 (f) EFFECTIVE DATE.—The provisions of, and
2 amendments made by, this section shall take effect on
3 January 1, 2014.

4 **Subtitle F—Improvements to Tax**
5 **Filing**

6 **SEC. 51. NEW DUE DATE FOR PARTNERSHIP FORM 1065, S**
7 **CORPORATION FORM 1120S, AND C CORPORA-**
8 **TION FORM 1120.**

9 (a) PARTNERSHIPS.—

10 (1) IN GENERAL.—Section 6072 is amended by
11 adding at the end the following new subsection:

12 “(f) RETURNS OF PARTNERSHIPS.—Returns of part-
13 nerships under section 6031 made on the basis of the cal-
14 endar year shall be filed on or before the 15th day of
15 March following the close of the calendar year, and such
16 returns made on the basis of a fiscal year shall be filed
17 on or before the 15th day of the third month following
18 the close of the fiscal year.”.

19 (2) CONFORMING AMENDMENT.—Section
20 6072(a) is amended by striking “6017, or 6031”
21 and inserting “or 6017”.

22 (b) S CORPORATIONS.—

23 (1) IN GENERAL.—So much of subsection (b) of
24 6072 as precedes the second sentence thereof is
25 amended to read as follows:

1 “(b) RETURNS OF CERTAIN CORPORATIONS.—Re-
2 turns of S corporations under sections 6012 and 6037
3 made on the basis of the calendar year shall be filed on
4 or before the 31st day of March following the close of the
5 calendar year, and such returns made on the basis of a
6 fiscal year shall be filed on or before the last day of the
7 third month following the close of the fiscal year.”.

8 (2) CONFORMING AMENDMENTS.—

9 (A) Section 1362(b) is amended—

10 (i) by striking “15th” each place it
11 appears and inserting “last”,

12 (ii) by striking “2½” each place it ap-
13 pears and inserting “3”, and

14 (iii) by striking “2 months and 15
15 days” in paragraph (4) and inserting “3
16 months”.

17 (B) Section 1362(d)(1)(C)(i) is amended
18 by striking “15th” and inserting “last”.

19 (C) Section 1362(d)(1)(C)(ii) is amended
20 by striking “such 15th day” and inserting “the
21 last day of the third month thereof”.

22 (c) CONFORMING AMENDMENTS RELATING TO C
23 CORPORATIONS.—

24 (1) Section 170(a)(2)(B) is amended by strik-
25 ing “third month” and inserting “4th month”.

1 (2) Section 563 is amended by striking “third
2 month” each place it appears and inserting “4th
3 month”.

4 (3) Section 1354(d)(1)(B)(i) is amended by
5 striking “3d month” and inserting “4th month”.

6 (4) Subsection (a) and (c) of section 6167 are
7 each amended by striking “third month” and insert-
8 ing “4th month”.

9 (5) Section 6425(a)(1) is amended by striking
10 “third month” and inserting “4th month”.

11 (6) Subsections (b)(2)(A), (g)(3), and (h)(1) of
12 section 6655 are each amended by striking “3rd
13 month” and inserting “4th month”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to returns for taxable years begin-
16 ning after December 31, 2014.

17 **Subtitle G—Taxpayer Access to**
18 **Judicial Forum**

19 **SEC. _61. FILING PERIOD FOR INTEREST ABATEMENT**
20 **CASES.**

21 (a) IN GENERAL.—Subsection (h) of section 6404 is
22 amended—

23 (1) by striking “REVIEW OF DENIAL” in the
24 heading and inserting “JUDICIAL REVIEW”, and

1 (2) by striking “if such action is brought” and
2 all that follows in paragraph (1) and inserting “if
3 such action is brought—

4 “(A) at any time after the earlier of—

5 “(i) the date of the mailing of the
6 Secretary’s final determination not to
7 abate such interest, or

8 “(ii) the date which is 180 days after
9 the date of the filing with the Secretary (in
10 such form as the Secretary may prescribe)
11 of a claim for abatement under this sec-
12 tion, and

13 “(B) not later than the date which is 180
14 days after the date described in subparagraph
15 (A)(i).”.

16 (b) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to claims for abatement of interest
18 filed with the Secretary of the Treasury after the date of
19 the enactment of this Act.

20 **SEC. 62. SMALL TAX CASE ELECTION FOR INTEREST**
21 **ABATEMENT CASES.**

22 (a) IN GENERAL.—Subsection (f) of section 7463 is
23 amended—

24 (1) by striking “and” at the end of paragraph

25 (1),

1 (2) by striking the period at the end of para-
2 graph (2) and inserting “, and”, and

3 (3) by adding at the end the following new
4 paragraph:

5 “(3) a petition to the Tax Court under section
6 6404(h) in which the amount of the abatement
7 sought does not exceed \$50,000.”.

8 (b) **EFFECTIVE DATE.**—The amendments made by
9 this section shall apply to cases pending as of the day after
10 the date of the enactment of this Act, and cases com-
11 menced after such date of enactment.

12 **SEC. _63. VENUE FOR APPEAL OF SPOUSAL RELIEF AND**
13 **COLLECTION CASES.**

14 (a) **IN GENERAL.**—Paragraph (1) of section 7482(b)
15 is amended—

16 (1) by striking “or” at the end of subparagraph
17 (E),

18 (2) by striking the period at the end of sub-
19 paragraph (F) and inserting a comma, and

20 (3) by inserting after subparagraph (F) the fol-
21 lowing new subparagraphs:

22 “(G) in the case of a petition under section
23 6015(e), the legal residence of the petitioner, or

24 “(H) in the case of a petition under sec-
25 tion 6320 or 6330—

1 “(i) the legal residence of the peti-
2 tioner if the petitioner is an individual, and

3 “(ii) the principal place of business or
4 principal office or agency if the petitioner
5 is an entity other than an individual.”.

6 (b) EFFECTIVE DATE.—

7 (1) IN GENERAL.—The amendments made by
8 this section shall apply to petitions filed after the
9 date of enactment of this Act.

10 (2) EFFECT ON EXISTING PROCEEDINGS.—

11 Nothing in this section shall be construed to create
12 any inference with respect to the application of sec-
13 tion 7482 of the Internal Revenue Code of 1986
14 with respect to court proceedings filed on or before
15 the date of the enactment of this Act.

16 **SEC. _64. SUSPENSION OF RUNNING OF PERIOD FOR FIL-**
17 **ING PETITION OF SPOUSAL RELIEF AND COL-**
18 **LECTION CASES.**

19 (a) PETITIONS FOR SPOUSAL RELIEF.—

20 (1) IN GENERAL.—Subsection (e) of section
21 6015 is amended by adding at the end the following
22 new paragraph:

23 “(6) SUSPENSION OF RUNNING OF PERIOD FOR
24 FILING PETITION IN TITLE 11 CASES.—In the case
25 of a person who is prohibited by reason of a case

1 under title 11, United States Code, from filing a pe-
2 tition under paragraph (1)(A) with respect to a final
3 determination of relief under this section, the run-
4 ning of the period prescribed by such paragraph for
5 filing such a petition with respect to such final de-
6 termination shall be suspended for the period during
7 which the person is so prohibited from filing such a
8 petition, and for 60 days thereafter.”.

9 (2) EFFECTIVE DATE.—The amendment made
10 by this subsection shall apply to petitions filed under
11 section 6015(e) of the Internal Revenue Code of
12 1986 after the date of the enactment of this Act.

13 (b) COLLECTION PROCEEDINGS.—

14 (1) IN GENERAL.—Subsection (d) of section
15 6330 is amended—

16 (A) by striking “appeal such determination
17 to the Tax Court” in paragraph (1) and insert-
18 ing “petition the Tax Court for review of such
19 determination”,

20 (B) by striking “JUDICIAL REVIEW OF DE-
21 TERMINATION” in the heading of paragraph (1)
22 and inserting “PETITION FOR REVIEW BY TAX
23 COURT”,

24 (C) by redesignating paragraph (2) as
25 paragraph (3), and

1 (D) by inserting after paragraph (1) the
2 following new paragraph:

3 “(2) SUSPENSION OF RUNNING OF PERIOD FOR
4 FILING PETITION IN TITLE 11 CASES.—In the case
5 of a person who is prohibited by reason of a case
6 under title 11, United States Code, from filing a pe-
7 tition under paragraph (1) with respect to a deter-
8 mination under this section, the running of the pe-
9 riod prescribed by such subsection for filing such a
10 petition with respect to such determination shall be
11 suspended for the period during which the person is
12 so prohibited from filing such a petition, and for 30
13 days thereafter, and”.

14 (2) EFFECTIVE DATE.—The amendments made
15 by this subsection shall apply to petitions filed under
16 section 6330 of the Internal Revenue Code of 1986
17 after the date of the enactment of this Act.

18 (c) CONFORMING AMENDMENT.—Subsection (c) of
19 section 6320 is amended by striking “(2)(B)” and insert-
20 ing “(3)(B)”.

21 **SEC. 65. APPLICATION OF FEDERAL RULES OF EVIDENCE.**

22 (a) IN GENERAL.—Section 7453 is amended by strik-
23 ing “the rules of evidence applicable in trials without a
24 jury in the United States District Court of the District

1 of Columbia” and inserting “the Federal Rules of Evi-
2 dence”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall apply to proceedings commenced after
5 the date of the enactment of this Act and, to the extent
6 that it is just and practicable, to all proceedings pending
7 on such date.

8 **Subtitle H—Other Provisions**

9 **SEC. __71. AUTHORITY FOR LIMITED SHARING OF BUSI- 10 **NESS TAX INFORMATION WITH THE BUREAU 11 **OF ECONOMIC ANALYSIS AND BUREAU OF 12 **LABOR STATISTICS.********

13 (a) IN GENERAL.—Paragraph (1) of section 6103(j)
14 is amended—

15 (1) by striking “return information reflected on
16 returns of corporations” in subparagraph (B) and
17 inserting “returns, or return information reflected
18 thereon, of corporations, sole proprietorships with
19 receipts for the taxable year to which such returns
20 relate in excess of \$750,000, and partnerships (ex-
21 cluding returns of the partners),”, and

22 (2) by adding at the end the following new sen-
23 tence: “For purposes of subparagraph (B), informa-
24 tion furnished with respect to a sole proprietorship
25 shall be limited to the identity of the sole proprietor-

1 ship and information relating to receipts, expenses,
2 profits, compensation, assets, and liabilities.”.

3 (b) AUTHORITY FOR INFORMATION SHARING WITH
4 BUREAU OF LABOR STATISTICS.—Subsection (j) of sec-
5 tion 6103 is amended by adding at the end the following
6 new paragraphs:

7 “(7) DEPARTMENT OF LABOR.—

8 “(A) IN GENERAL.—Upon request in writ-
9 ing by the Secretary of Labor, within the limi-
10 tations prescribed by subparagraph (B), the
11 Secretary shall furnish such return information
12 with respect to—

13 “(i) corporations,

14 “(ii) sole proprietorships that have at
15 least 1 employee other than the proprietor,

16 “(iii) partnerships (excluding return
17 information from the returns of the part-
18 ners), and

19 “(iv) tax-exempt entities, including
20 any Federal, State, local, or Indian tribal
21 government or any agency or instrumen-
22 tality thereof,

23 as the Secretary may prescribe by regulation to
24 officers and employees of the Bureau of Labor
25 Statistics for the purpose of, but only to the ex-

1 tent necessary in, the structuring and con-
2 ducting of censuses and surveys of labor and
3 employment, prices, compensation and working
4 conditions, and related statistical activities as
5 authorized by law.

6 “(B) LIMITATION.—The information which
7 may be furnished under subparagraph (A) shall
8 be limited to—

9 “(i) taxpayer identification number,

10 “(ii) business or entity name, trade
11 name, mailing address, and physical loca-
12 tion address,

13 “(iii) principal industry activity (in-
14 cluding business description and industry
15 code),

16 “(iv) number of employees and total
17 of wages, tips, and other compensation,
18 and

19 “(v) sales and revenues.

20 No information regarding returns of an indi-
21 vidual employee shall be furnished under sub-
22 paragraph (A).

23 “(C) DISCLOSURE TO CERTAIN STATE EM-
24 PLOYEES AND OFFICERS.—

1 “(i) IN GENERAL.—Subject to ap-
2 proval by the Secretary, the information
3 described in clauses (i), (ii), and (iii) of
4 subparagraph (B) may be disclosed by offi-
5 cers and employees of the Bureau of Labor
6 Statistics to officers and employees of state
7 agencies that collect, process, and analyze
8 survey responses and data from adminis-
9 trative records relating to unemployment
10 insurance.

11 “(ii) RESTRICTION ON USE OF DIS-
12 CLOSED INFORMATION.—Return informa-
13 tion disclosed to State agencies under this
14 paragraph may be used for the purpose of,
15 but only to the extent necessary in, ana-
16 lyzing and independently verifying discrep-
17 ancies between business lists issued by the
18 Bureau of Labor Statistics and the Bureau
19 of the Census in order to synchronize such
20 lists. Such return information may be com-
21 pared with State statistical agency records
22 solely for the purpose of measuring the ac-
23 curacy of the data maintained by such
24 agency. If such agency data does not
25 match the information furnished by the

1 Bureau of Labor Statistics, the State sta-
2 tistical agency must independently verify
3 its own data using other sources. Only
4 data independently obtained and verified
5 may be made a part of the State statistical
6 agency records.

7 “(iii) MONITORING BY BUREAU OF
8 LABOR STATISTICS.—In the case of any
9 disclosure to a State agency under clause
10 (ii), the Bureau of Labor Statistics shall
11 monitor compliance by such State agencies
12 with applicable rules for safeguarding dis-
13 closed information, insuring that all rel-
14 evant persons and sites comply with the re-
15 quirements of subsection (p)(4).

16 “(8) INTERAGENCY DISCLOSURE.—The Bureau
17 of the Census, Bureau of Economic Analysis, and
18 the Bureau of Labor Statistics and their officers and
19 employees may share among themselves the return
20 information disclosed under paragraphs (1) and (7)
21 of this subsection pursuant to written agreements
22 approved by the Secretary and in accordance with
23 the rules of subsection (p)(2)(B) and the regulations
24 thereunder, for the purpose of synchronizing the

1 business lists issued by the Bureau of Labor Statis-
2 tics and the Bureau of the Census.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Paragraph (4) of section 6103(p) is amend-
5 ed—

6 (A) by striking “(j)(1), (2), or (5)” and in-
7 serting “(j)(1), (2), (5), or (7)”,

8 (B) by striking “any other person de-
9 scribed in subsection (k)(10),” in the matter
10 preceding subparagraph (A) and inserting “any
11 other person described in subsection (j)(7),
12 (k)(10),”,

13 (C) by striking “subsection (k)(10) or sub-
14 section (l)(10),” in subparagraph (F)(i) and in-
15 serting “subsection (j)(7), (k)(10), or (l)(10),”,

16 (D) by striking “(j)(1), (2), or (5)” in sub-
17 paragraph (F)(ii) and inserting “(j)(1), (2), (5),
18 or (7)”, and

19 (E) by striking “any other person de-
20 scribed in subsection (k)(10) or subsection
21 (l)(10),” both places it appears in the matter
22 following subparagraph (F)(iii) and inserting
23 “any other person described in subsection
24 (j)(7), (k)(10), or (l)(10),”.

1 (2) Paragraph (2) of section 7213(a) is amend-
2 ed by striking “(k)(10),” and inserting “(j)(7),
3 (k)(10),”.

4 (d) EFFECTIVE DATE.—The amendments made by
5 this section shall apply to disclosures after the date of the
6 enactment of this Act.

7 **SEC. _72. INCREASED REFUND AND CREDIT THRESHOLD**
8 **FOR JOINT COMMITTEE ON TAXATION RE-**
9 **VIEW OF C CORPORATION RETURN.**

10 (a) IN GENERAL.—Subsections (a) and (b) of section
11 6405 are each amended by inserting “(\$5,000,000 in the
12 case of a C corporation)” after “\$2,000,000”.

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall take effect on the date of the enactment
15 of this Act, except that such amendment shall not apply
16 with respect to any refund or credit with respect to a re-
17 port that has been made before such date under section
18 6405 of the Internal Revenue Code of 1986.