TITLE — TAX

ADMINISTRATION PROVISIONS

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Subtitle A—Reforms Relating to Information Returns

SEC. 01. ACCELERATED FILING OF CERTAIN RETURNS.

(a) In General.—Subsection (b) of section 6071 is amended to read as follows:

“(b) Due Date for Certain Returns Filed With the Secretary.—Returns filed with the Secretary under subparts B and C of part III of this subchapter shall be filed on or before February 21 of the year following the calendar year to which such returns relate.”.

(b) Effective Date.—The amendments made by this section shall apply to returns the due date for which
(determined without regard to extensions) is after December 31, 2014.

(c) Study Regarding Administrative Implementation.—Not later than January 1, 2016, the Secretary of the Treasury (or such Secretary’s delegate) shall provide a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives with respect to the accelerated filing of returns by reason of the amendment made by subsection (a). Such report shall include—

(1) a recommendation of whether the due dates for filing Forms W-2, W-3, and 1099 with the Internal Revenue Service and the Social Security Administration (as applicable) should be accelerated to January 31 to match the due date for furnishing copies of such forms to the recipient of the reported income, and

(2) recommendations for processes—

(A) to match the information reported on Forms W-2, W-3, and 1099 for the effective processing of returns and accurate determination of refunds, and

(B) to correct errors on such documents.
SEC. 02. SAFE HARBOR FOR DE MINIMIS ERRORS ON INFORMATION RETURNS AND PAYEE STATEMENTS.

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

(1) by striking “EXCEPTION FOR DE MINIMIS FAILURE TO INCLUDE ALL REQUIRED INFORMATION” in the heading and inserting “EXCEPTIONS FOR CERTAIN DE MINIMIS FAILURES”,

(2) by striking “IN GENERAL” in the heading of paragraph (1) and inserting “EXCEPTION FOR DE MINIMIS FAILURE TO INCLUDE ALL REQUIRED INFORMATION”, and

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

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

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

“(i) there are 1 or more failures described in subsection (a)(2)(B) relating to an incorrect dollar amount, and

“(ii) no single amount in error differs from the correct amount by more than $25,
then no correction shall be required and, for
purposes of this section, such return shall be
treated as having been filed with all of the cor-
rect required information.

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

(b) Failure to Furnish Correct Payee State-
ments.—Subsection (c) of section 6722 is amended by
adding at the end the following new paragraph:

“(3) Safe Harbor for Certain De Minimis
Errors.—

“(A) In General.—If, with respect to any
payee statement—

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

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

then no correction shall be required and, for
purposes of this section, such statement shall be
treated as having been filed with all of the cor-
rect required information.
“(B) Exception.—Subparagraph (A) shall not apply to payee statements required under section 6049.”.

(c) Conforming Amendments.—

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

(2) Paragraph (5) of section 3406(b) is amended—

(A) by striking “$10” both places it appears and inserting “$25”, and

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

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

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

(4) Paragraph (2) of section 6042(a) is amended by striking “$10” and inserting “$25”.

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

(6) Paragraph (1) of section 6047(d) is amended by striking “$10” and inserting “$25”.

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

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

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

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

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

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

**SEC. 03. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

(a) **In General.**—Not later than 3 years after the date of the enactment of this Act, the Secretary of the Treasury (or such Secretary’s delegate) shall make available an Internet website or other electronic media, similar to the Business Services Online Suite of Services provided by the Social Security Administration, that will provide
taxpayers access to resources and guidance provided by
the Internal Revenue Service and will allow taxpayers to—

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

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

(3) create and maintain necessary taxpayer
records.

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

SEC. _04. REQUIREMENT THAT ELECTRONICALLY PRE-
PARED PAPER RETURNS INCLUDE SCAN-
ABLE CODE.

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

“(5) SPECIAL RULE FOR RETURNS PREPARED
ELECTRONICALLY AND SUBMITTED ON PAPER.—The
Secretary shall require that any return of tax which
is prepared electronically, but is printed and filed on paper, bear a code which can, when scanned, convert such return to electronic format.”.

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

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

Subtitle B—Prevention of Identity Theft and Tax Fraud

SEC. 11. RESTRICTION ON ACCESS TO THE DEATH MASTER FILE.

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

(b) CERTIFICATION PROGRAM.—

(1) IN GENERAL.—The Secretary of Commerce shall establish a program—
(A) to certify persons who are eligible to access the information described in subsection (a) contained on the Death Master File, and

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

(2) CERTIFICATION.—A person shall not be certified under the program established under paragraph (1) unless such person certifies that access to the information described in subsection (a) is appropriate because such person—

(A) has—

(i) a legitimate fraud prevention interest, or

(ii) a legitimate business purpose pursuant to a law, governmental rule, regulation, or fiduciary duty, and

(B) has systems, facilities, and procedures in place to safeguard such information, and experience in maintaining the confidentiality, security, and appropriate use of such information, pursuant to requirements similar to the requirements of section 6103(p)(4) of the Internal Revenue Code of 1986, and
(C) agrees to satisfy the requirements of such section 6103(p)(4) as if such section applied to such person.

(3) Fees.—

(A) IN GENERAL.—The Secretary of Commerce shall establish under section 9701 of title 31, United States Code, a program for the charge of fees sufficient to cover (but not to exceed) all costs associated with evaluating applications for certification and auditing, inspecting, and monitoring certified persons under the program. Any fees so collected shall be deposited and credited as offsetting collections to the accounts from which such costs are paid.

(B) REPORT.—The Secretary of Commerce shall report on an annual basis to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on the total fees collected during the preceding year and the cost of administering the certification program under this subsection for such year.

(e) IMPOSITION OF PENALTY.—

(1) IN GENERAL.—Any person who is certified under the program established under subsection (b),
who receives information described in subsection (a), and who during the period of time described in subsection (a)—

(A) discloses such information to any person other than a person who meets the requirements of subparagraphs (A), (B), and (C) of subsection (b)(2),

(B) discloses such information to any person who uses the information for any purpose not listed under subsection (b)(2)(A) or who further discloses the information to a person who does not meet such requirements, or

(C) uses any such information for any purpose not listed under subsection (b)(2)(A),

and any person to whom such information is disclosed who further discloses or uses such information as described in the preceding subparagraphs, shall pay a penalty of $1,000 for each such disclosure or use.

(2) LIMITATION ON PENALTY.—

(A) IN GENERAL.—The total amount of the penalty imposed under this subsection on any person for any calendar year shall not exceed $250,000.
(B) Exception for willful violations.—Subparagraph (A) shall not apply in the case of violations under paragraph (1) that the Secretary of Commerce determines to be willful or intentional violations.

(d) Death Master File.—For purposes of this section, the term “Death Master File” means information on the name, social security account number, date of birth, and date of death of deceased individuals maintained by the Commissioner of Social Security, other than information that was provided to such Commissioner under section 205(r) of the Social Security Act (42 U.S.C. 405(r)).

(e) Exemption from Freedom of Information Act Requirement With Respect to Certain Records of Deceased Individuals.—

(1) In general.—No Federal agency shall be compelled to disclose the information described in subsection (a) to any person who is not certified under the program established under subsection (b).

(2) Treatment of information.—For purposes of section 552 of title 5, United States Code, this section shall be considered a statute described in subsection (b)(3) of such section 552.

(f) Effective Date.—
(1) IN GENERAL.—Except as provided in paragraph (2), this section shall take effect on the date that is 90 days after the date of the enactment of this Act.

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

SEC. 12. SINGLE POINT OF CONTACT FOR IDENTITY THEFT VICTIMS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury (or such Secretary’s delegate) shall establish new procedures to ensure that any taxpayer whose return has been delayed or otherwise adversely affected due to misappropriation of the taxpayer’s taxpayer identity (as defined in section 6103(b)(6) of the Internal Revenue Code of 1986) has a single point of contact who—

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

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

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

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

SEC. __13. CRIMINAL PENALTY FOR MISAPPROPRIATING TAXPAYER IDENTITY IN CONNECTION WITH TAX FRAUD.

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

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

“(a) IN GENERAL.—Any person”, and

(2) by adding at the end the following new subsection:

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

(b) AGGRAVATED IDENTITY THEFT.—Section 1028A(e) of title 18, United States Code, is amended by
striking “or” at the end of paragraph (10), by striking the period at the end of paragraph (11) and inserting “; or”, and by adding at the end the following new paragraph:

“(12) section 7206(b) of the Internal Revenue Code of 1986 (relating to misappropriation of identity in connection with tax fraud).”.

(c) Effective Date.—The amendments made by this section shall apply to offenses committed on or after the date of the enactment of this Act.

SEC. __14. EXTEND INTERNAL REVENUE SERVICE AUTHORITY TO REQUIRE TRUNCATED SOCIAL SECURITY NUMBERS ON FORM W-2.

(a) In General.—Paragraph (2) of section 6051(a) is amended by striking “his social security number” and inserting “an identifying number for the employee”.

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. __15. PENALTY FOR FAILURE TO MEET DUE DILIGENCE REQUIREMENTS FOR THE CHILD TAX CREDIT.

(a) In General.—Section 6695 is amended by adding at the end the following new subsection:
“(h) Failure to Be Diligent in Determining Eligibility for Child Tax Credit.—Any person who is a tax return preparer with respect to any return or claim for refund who fails to comply with due diligence requirements imposed by the Secretary by regulations with respect to determining eligibility for, or the amount of, the credit allowable by section 24 shall pay a penalty of $500 for each such failure.”.

(b) Effective Date.—The amendment made by this section shall apply to taxable years beginning after December 31, 2014.

SEC. __16. IMPROVEMENT IN ACCESS TO INFORMATION IN THE NATIONAL DIRECTORY OF NEW HIRES FOR TAX ADMINISTRATION PURPOSES.

(a) In General.—Paragraph (3) of section 453(i) of the Social Security Act (42 U.S.C. 653(i)) is amended to read as follows:

“(3) Administration of Federal Tax Laws.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering the Internal Revenue Code of 1986.”.

(b) Effective Date.—The amendment made by this section shall take effect on the date of the enactment of this Act.
SEC. 17. TAXPAYER NOTIFICATION OF SUSPECTED IDENTITY THEFT.

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

“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

“If the Secretary determines that there was an unauthorized use of the identity of any taxpayer, the Secretary shall—

“(1) as soon as practicable and without jeopardizing an investigation relating to tax administration, notify the taxpayer, and

“(2) if any person is criminally charged by indictment or information relating to such unauthorized use, notify such taxpayer as soon as practicable of such charge.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

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

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations made after the date of the enactment of this Act.
SEC. 18. STUDY OF EXPANSION OF PIN SYSTEM FOR PREVENTION OF IDENTITY THEFT TAX FRAUD.

Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury (or such Secretary’s delegate) shall conduct a study of the Internal Revenue Service program which assigns to any individual taxpayer who has been a victim of identity theft a unique personal identification number which is required to be included on any subsequent Federal tax return filed by such individual, and shall report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives on—

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

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

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

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

(b) EFFECTIVE DATE.—
(1) IN GENERAL.—The amendment made by this section applies to regulations promulgated before, on, or after the date of the enactment of this Act.

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

Subtitle C—Closing the Tax Gap

SEC. 21. IMPROVED INFORMATION REPORTING ON UNREPORTED AND UNDERREPORTED FINANCIAL ACCOUNTS.

(a) ELIMINATION OF MINIMUM INTEREST REQUIREMENT.—

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

(2) CONFORMING AMENDMENTS.—Subparagraph (C) of section 6049(d)(5) is amended—

(A) by striking “which involves the payment of $10 or more of interest”, and
(B) by striking “IN THE CASE OF TRANSACTIONS INVOLVING $10 OR MORE” in the heading.

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

(b) REPORTING OF NON-INTEREST BEARING DEPOSITS.—

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

“SEC. 6049A. RETURNS REGARDING NON-INTEREST BEARING DEPOSITS.

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

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

“(1) IN GENERAL.—The term ‘reportable deposit’ means—

“(A) any amount on deposit with—

“(i) a person carrying on the banking business,
“(ii) a mutual savings bank, a savings and loan association, a building and loan association, a cooperative bank, a homestead association, a credit union, an industrial loan association or bank, or any similar organization,

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

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

“(B) to the extent provided by the Secretary in regulations, any amount held by an insurance company, an investment company (as defined in section 3 of the Investment Company Act of 1940), or held in other pooled funds or trusts.

“(2) EXCEPTIONS.—Such term shall not include—

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

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

“(C) except to the extent provided in regulations, any amount—
“(i) held with respect to a person de-
dscribed in section 6049(b)(4),

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

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

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

“(c) Statements To Be Furnished To Persons
With Respect To Whom Information Is Required.—

“(1) In General.—Every person required to
make a return under subsection (a) shall furnish to
each person whose name is required to be set forth
in such return a written statement showing—

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

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

“(2) Time And Form Of Statement.—The
written statement under paragraph (1)—

“(A) shall be furnished at a time and in a
manner similar to the time and manner that
statements are required to be filed under section 6049(c)(2), and

“(B) shall be in such form as the Secretary may prescribe by regulations.

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

(2) Assessable Penalties.—

(A) Failure to File Return.—Subparagraph (B) of section 6724(d)(1) is amended by striking “or” at the end of clause (xxiv), by striking “and” at the end of clause (xxv) and inserting “or”, and by inserting after clause (xxv) the following new clause:

“(xxvi) section 6049A (relating to returns regarding non-interest bearing deposits), and”.

(B) Failure to File Payee Statement.—Paragraph (2) of section 6724(d) is amended by striking “or” at the end of subparagraph (GG), by striking the period at the end of subparagraph (HH) and inserting “,
or”, and by inserting after subparagraph (HH) the following new subparagraph:

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

(3) CONFORMING AMENDMENTS.—Subparagraph (B) of section 6721(e)(3) and subparagraph (B) of section 6722(e)(3), as added by this Act, are each amended by striking “6049” and inserting “6049 and 6049A”.

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

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

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

SEC. 22. ADDITIONAL INFORMATION ON RETURNS RELATING TO MORTGAGE INTEREST.

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

“(D) the unpaid balance with respect to such mortgage,
“(E) the address of the property securing such mortgage,

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

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

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

(b) Payee Statements.—Subsection (d) of section 6050H is amended by striking “and” at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting “, and”, and by inserting after paragraph (2) the following new paragraph:

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

(c) Effective Date.—The amendments made by this section shall apply to returns and statements the due date for which (determined without regard to extensions) is after December 31, 2014.
SEC. 23. TAX REPORTING FOR LIFE SETTLEMENT TRANSACTIONS.

(a) In General.—Subpart B of part III of subchapter A of chapter 61 is amended by adding at the end the following new section:

“SEC. 6050X. RETURNS RELATING TO CERTAIN LIFE INSURANCE CONTRACT TRANSACTIONS.

“(a) Requirement of Reporting of Certain Payments.—

“(1) In General.—Every person who acquires a life insurance contract or any interest in a life insurance contract in a reportable policy sale during any taxable year shall make a return for such taxable year (at such time and in such manner as the Secretary shall prescribe) setting forth—

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

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

“(C) the date of such sale,

“(D) the name of the issuer of the life insurance contract sold and the policy number of such contract, and

“(E) the amount of each payment.
“(2) Statement to be furnished to persons with respect to whom information is required.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(A) the name, address, and phone number of the information contact of the person required to make such return, and

“(B) the information required to be shown on such return with respect to such person, except that in the case of an issuer of a life insurance contract, such statement is not required to include the information specified in paragraph (1)(E).

“(b) Requirement of Reporting of Seller’s Basis in Life Insurance Contracts.—

“(1) In general.—Upon receipt of the statement required under subsection (a)(2) or upon notice of a transfer of a life insurance contract to a foreign person, each issuer of a life insurance contract shall make a return (at such time and in such manner as the Secretary shall prescribe) setting forth—
“(A) the name, address, and TIN of the seller who transfers any interest in such contract in such sale,

“(B) the investment in the contract (as defined in section 72(e)(6)) with respect to such seller, and

“(C) the policy number of such contract.

“(2) Statement to be furnished to persons with respect to whom information is required.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(A) the name, address, and phone number of the information contact of the person required to make such return, and

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

“(c) Requirement of Reporting With Respect to Reportable Death Benefits.—

“(1) In general.—Every person who makes a payment of reportable death benefits during any taxable year shall make a return for such taxable year
(at such time and in such manner as the Secretary shall prescribe) setting forth—

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

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

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

“(D) the amount of each such payment.

“(2) Statement to be furnished to persons with respect to whom information is required.—Every person required to make a return under this subsection shall furnish to each person whose name is required to be set forth in such return a written statement showing—

“(A) the name, address, and phone number of the information contact of the person required to make such return, and

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

“(d) Definitions.—For purposes of this section—

“(1) Payment.—The term ‘payment’ means the amount of cash and the fair market value of any consideration transferred in a reportable policy sale.
“(2) **REPORTABLE DEATH BENEFITS.**—The term ‘reportable death benefits’ means amounts paid by reason of the death of the insured under a life insurance contract that has been transferred in a reportable policy sale.

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

“(4) **ISSUER.**—The term ‘issuer’ means any life insurance company that bears the risk with respect to a life insurance contract on the date any return or statement is required to be made under this section.”.

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

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

(c) **CONFORMING AMENDMENTS.**—

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

(A) by striking “or” at the end of clause (xxv) of paragraph (1)(B), by striking “and” at the end of clause (xxvi) of such paragraph and inserting “or”, and by inserting after such clause (xxvi) the following new clause:
“(xxvii) section 6050X (relating to returns relating to certain life insurance contract transactions), and”, and

(B) by striking “or” at the end of subparagraph (HH) of paragraph (2), by striking the period at the end of subparagraph (II) of such paragraph and inserting “, or”, and by inserting after such subparagraph (II) the following new subparagraph:

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

(2) Section 6047 is amended—

(A) by redesignating subsection (g) as subsection (h),

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

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

(C) by adding at the end of subsection (h), as so redesignated, the following new paragraph:
“(4) For provisions requiring reporting of information relating to certain life insurance contract transactions, see section 6050X.”.

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

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

(2) reportable death benefits paid after December 31, 2014.

SEC. 24. CLARIFICATION OF TAX BASIS OF LIFE INSURANCE CONTRACTS.

(a) IN GENERAL.—Paragraph (1) of section 1016(a) is amended by striking subparagraph (A) and all that follows and inserting the following:

“(A) for—

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

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

“(B) for mortality, expense, or other reasonable charges incurred under an annuity or life insurance contract;”.

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

SEC. 25. EXCEPTION TO TRANSFER FOR VALUABLE CONSIDERATION RULES.

(a) IN GENERAL.—Subsection (a) of section 101 is amended by adding at the end the following new paragraph:

‘(3) EXCEPTION TO VALUABLE CONSIDERATION RULES FOR COMMERCIAL TRANSFERS.—

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

‘(B) REPORTABLE POLICY SALE.—For purposes of this paragraph, the term ‘reportable policy sale’ means the acquisition for valuable consideration of an interest in a life insurance contract, directly or indirectly, if the acquirer has no substantial family, business, or financial relationship with the insured apart from the acquirer’s interest in such life insurance contract. For purposes of the preceding sentence, the term ‘indirectly’ applies to the acquisition of
an interest in a partnership, trust, or other entity that holds an interest in the life insurance contract.”.

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

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

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

(a) IN GENERAL.—Clause (i) of section 6050S(b)(2)(B) is amended by striking “payments received or the aggregate amount billed” and inserting “payments received”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to expenses paid or assessed after the date of the enactment of this Act (in taxable years ending after such date), for education furnished in academic periods beginning after such date.
SEC. 27. CLARIFICATION OF INFORMATION REQUIRED TO BE REPORTED WITH RESPECT TO A BUSINESS.

(a) In General.—Section 6011 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

“(h) INFORMATION REQUIRED TO BE REPORTED WITH RESPECT TO A BUSINESS.—The Secretary shall require that taxpayers engaged in a trade or business include the following information with the return of tax:

“(1) ADDITIONAL GROSS RECEIPTS INFORMATION.—The total amount of—

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

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

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

“(A) the total of amounts reported by the taxpayer through payee statements (as so defined),

“(B) the number of payee statements (as so defined) furnished by the taxpayer, and
“(C) such other information as the Secretary deems necessary with respect to payments in connection with goods and services.”.

(b) REPORT ON IMPROVING VOLUNTARY COMPLIANCE BY SOLE PROPRIETORS.—

(1) IN GENERAL.—Not later than 3 years after the date of the enactment of this Act, the Secretary of the Treasury (or such Secretary’s delegate) shall submit to Congress a report setting forth recommendations on—

(A) whether the Internal Revenue Service should provide additional assistance to first-time business filers by means of regular communications, a small business hotline, a published resource guide, or automatic or computer-generated “soft” notices,

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

(C) ways to clarify the instructions for forms relating to businesses to indicate that in-
formation returns may be required to be filed by sole proprietors who deduct expenses for wages, fees, and commissions,

(D) identification and analysis of the best practices that are utilized by States and by foreign governments with respect to encouraging voluntary tax compliance by sole proprietors, and ways these best practices may be adopted by the Internal Revenue Service,

(E) whether, in the case of tax returns containing income from a trade or business, the inclusion of a checkbox or other indicator indicating whether the taxpayer had a 1099–MISC filing requirement would affect voluntary compliance by taxpayers, and

(F) such other improvements with respect to improving voluntary compliance by sole proprietors as the Secretary determines is appropriate.

(2) USE OF DATA.—The recommendations submitted in the report under paragraph (1) shall, wherever possible, be based on empirical data, agency-conducted tests, and quantitative evidence.

(c) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to returns the due date for
which (determined without regard to extensions) is after December 31, 2014.

Subtitle D—Expansion of Electronic Filing

SEC. 31. INCREASE ELECTRONIC FILING OF RETURNS.

(a) In General.—Subparagraph (A) of section 6011(e)(2) is amended by striking “250” and inserting “the applicable number of”.

(b) Applicable Number.—Subsection (e) of section 6011, as amended by this Act, is amended by adding at the end the following new paragraph:

“(6) Applicable Number.—For purposes of paragraph (2)(A), the applicable number is—

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

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

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

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

(c) Returns Filed by a Tax Return Preparer.—

(1) In General.—Subparagraph (A) of section 6011(e)(3) is amended to read as follows:
“(A) IN GENERAL.—The Secretary shall require that any individual income tax return prepared by a tax return preparer be filed on magnetic media. The Secretary may waive the requirement of the preceding sentence if the Secretary determines, on the basis of an application by the tax return preparer, that the preparer cannot meet such requirement based on technological constraints (including lack of access to the Internet).”.

(2) CONFORMING AMENDMENT.—Paragraph (3) of section 6011(e) is amended by striking subparagraph (B), and by redesignating subparagraph (C) as subparagraph (B).

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

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

(1) by redesignating subsection (n) as subsection (o), and

(2) by inserting after subsection (m) the following new subsection:
“(n) REQUIREMENT OF ELECTRONIC FILING.—

“(1) IN GENERAL.—Any return or other statement required to be filed with the Secretary under this section shall be filed on magnetic media.

“(2) OPPORTUNITY TO APPLY FOR WAIVER.—
The Secretary may waive the requirement of paragraph (1) if the Secretary determines, on the basis of an application by the organization, that the organization cannot meet such requirement based on technological constraints (including lack of access to the Internet).”.

(f) CONFORMING AMENDMENT RELATING TO PUBLICITY OF INFORMATION.—Subsection (b) of section 6104 is amended by striking “to the public at such times” and inserting “to the public in electronic format, at such times”.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to returns the due date for which (determined without regard to extensions) is after December 31, 2014.

(2) TRANSITION RELIEF.—In the case of an organization required to file electronic returns by reason of section 6033(n) of the Internal Revenue Code
of 1986, as added by subsection (c), for whom such requirement would present a hardship without additional transition time, the Secretary of the Treasury may delay the application of such requirement for up to 3 years from the date specified in paragraph (1).

SEC. 32. INCREASED AUTHORITY FOR ELECTRONIC FILING OF EMPLOYEE BENEFIT PLAN TAX INFORMATION.

(a) In General.—Paragraph (2) of section 6011(e), as amended by this Act, is amended by adding at the end the following new sentence: “Subparagraph (A) shall not apply in the case of a return, report, statement, or notification required by section 6039D, 6057 (other than a statement required under subsection (e) thereof), 6058, or 6059.”.

(b) Effective Date.—The amendment made by this section shall apply to plan years beginning after December 31, 2014.

Subtitle E—Reforms Relating to Audit and Collections

SEC. 41. 100 PERCENT CONTINUOUS LEVY ON PAYMENT TO MEDICARE PROVIDERS AND SUPPLIERS.

(a) In General.—Paragraph (3) of section 6331(h) is amended by striking the period at the end and inserting
“(a) In General.—Section 6159 is amended by redesignating subsections (e) and (f) as subsections (f) and (g), respectively, and by inserting after subsection (d) the following new subsection:

“(e) Waiver of User Fees for Installment Agreements Using Automated Withdrawals.—In the case of a taxpayer who enters into an installment agreement in which automated installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.”.

(b) Effective Date.—The amendments made by this section shall apply to agreements entered into on or after the date which is 180 days after the date of the enactment of this Act.
SEC. 43. REVOCATION OR DENIAL OF PASSPORT IN CASE OF CERTAIN UNPAID TAXES.

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

"SEC. 7345. REVOCATION OR DENIAL OF PASSPORT IN CASE OF CERTAIN TAX DELINQUENCIES.

"(a) IN GENERAL.—If the Secretary receives certification by the Commissioner of Internal Revenue that any individual has a seriously delinquent tax debt in an amount in excess of $50,000, the Secretary shall transmit such certification to the Secretary of State for action with respect to denial, revocation, or limitation of a passport pursuant to section 43(d) of the Act.

"(b) SERIOUSLY DELINQUENT TAX DEBT.—For purposes of this section, the term "seriously delinquent tax debt" means an outstanding debt under this title for which a notice of lien has been filed in public records pursuant to section 6323 or a notice of levy has been filed pursuant to section 6331, except that such term does not include—

"(1) a debt that is being paid in a timely manner pursuant to an agreement under section 6159 or 7122, and

"(2) a debt with respect to which collection is suspended because a collection due process hearing
under section 6330, or relief under subsection (b),
(e), or (f) of section 6015, is requested or pending.

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

“(1) such dollar amount, multiplied by
“(2) the cost-of-living adjustment determined
under section 1(f)(3) for the calendar year, deter-
dined by substituting ‘calendar year 2013’ for ‘cal-
endar year 1992’ in subparagraph (B) thereof.

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

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

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

(e) AUTHORITY FOR INFORMATION SHARING.—

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

“(23) DISCLOSURE OF RETURN INFORMATION
TO DEPARTMENT OF STATE FOR PURPOSES OF PASS-
PORT REVOCATION UNDER SECTION 7345.—
“(A) IN GENERAL.—The Secretary shall, upon receiving a certification described in section 7345, disclose to the Secretary of State return information with respect to a taxpayer who has a seriously delinquent tax debt described in such section. Such return information shall be limited to—

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

“(ii) the amount of such seriously delinquent tax debt.

“(B) RESTRICTION ON DISCLOSURE.—Return information disclosed under subparagraph (A) may be used by officers and employees of the Department of State for the purposes of, and to the extent necessary in, carrying out the requirements of section 43(d) of the Act.

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

(d) AUTHORITY TO DENY OR REVOKE PASSPORT.—
(1) DENIAL.—

   (A) IN GENERAL.—Except as provided under subparagraph (B), upon receiving a certification described in section 7345 of the Internal Revenue Code of 1986 from the Secretary of the Treasury, the Secretary of State shall not issue a passport to any individual who has a seriously delinquent tax debt described in such section.

   (B) EMERGENCY AND HUMANITARIAN SITUATIONS.—Notwithstanding subparagraph (A), the Secretary of State may issue a passport, in emergency circumstances or for humanitarian reasons, to an individual described in such subparagraph.

(2) REVOCATION.—

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

   (B) LIMITATION FOR RETURN TO UNITED STATES.—If the Secretary of State decides to revoke a passport under subparagraph (A), the Secretary of State, before revocation, may—
(i) limit a previously issued passport
only for return travel to the United States;
or
(ii) issue a limited passport that only
permits return travel to the United States.

(3) HOLD HARMLESS.—The Secretary of the
Treasury and the Secretary of State shall not be lia-
able to an individual for any action with respect to a
certification by the Commissioner of Internal Rev-

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

(1) DENIAL.—

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

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

(ii) includes an incorrect or invalid so-
cial security number willfully, intentionally,
negligently, or recklessly provided by such individual,

the Secretary of State is authorized to deny such application and is authorized to not issue a passport to the individual.

(B) Emergency and humanitarian situations.—Notwithstanding subparagraph (A), the Secretary of State may issue a passport, in emergency circumstances or for humanitarian reasons, to an individual described in subparagraph (A).

(2) Revocation.—

(A) In general.—The Secretary of State may revoke a passport previously issued to any individual described in paragraph (1)(A).

(B) Limitation for return to United States.—If the Secretary of State decides to revoke a passport under subparagraph (A), the Secretary of State, before revocation, may—

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

(ii) issue a limited passport that only permits return travel to the United States.
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(f) Effective Date.—The provisions of, and amendments made by, this section shall take effect on January 1, 2014.

Subtitle F—Improvements to Tax Filing

SEC. 51. NEW DUE DATE FOR PARTNERSHIP FORM 1065, S CORPORATION FORM 1120S, AND C CORPORATION FORM 1120.

(a) Partnerships.—

(1) In general.—Section 6072 is amended by adding at the end the following new subsection:

“(f) Returns of partnerships.—Returns of partnerships under section 6031 made on the basis of the calendar year shall be filed on or before the 15th day of March following the close of the calendar year, and such returns made on the basis of a fiscal year shall be filed on or before the 15th day of the third month following the close of the fiscal year.”.

(2) Conforming amendment.—Section 6072(a) is amended by striking “6017, or 6031” and inserting “or 6017”.

(b) S Corporations.—

(1) In general.—So much of subsection (b) of 6072 as precedes the second sentence thereof is amended to read as follows:
“(b) Returns of Certain Corporations.—Returns of S corporations under sections 6012 and 6037 made on the basis of the calendar year shall be filed on or before the 31st day of March following the close of the calendar year, and such returns made on the basis of a fiscal year shall be filed on or before the last day of the third month following the close of the fiscal year.”

(2) Conforming Amendments.—

(A) Section 1362(b) is amended—

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

(ii) by striking “2 1⁄2” each place it appears and inserting “3”, and

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

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

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

(c) Conforming Amendments Relating to C Corporations.—

(1) Section 170(a)(2)(B) is amended by striking “third month” and inserting “4th month”.
(2) Section 563 is amended by striking “third month” each place it appears and inserting “4th month”.

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

(4) Subsection (a) and (c) of section 6167 are each amended by striking “third month” and inserting “4th month”.

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

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

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to returns for taxable years beginning after December 31, 2014.

Subtitle G—Taxpayer Access to Judicial Forum

SEC. 61. FILING PERIOD FOR INTEREST ABATEMENT CASES.

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

(1) by striking “REVIEW OF DENIAL” in the heading and inserting “JUDICIAL REVIEW”, and
(2) by striking “if such action is brought” and all that follows in paragraph (1) and inserting “if such action is brought—

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

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

“(ii) the date which is 180 days after the date of the filing with the Secretary (in such form as the Secretary may prescribe) of a claim for abatement under this section, and

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

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

SEC. 62. SMALL TAX CASE ELECTION FOR INTEREST ABATEMENT CASES.

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

(1) by striking “and” at the end of paragraph (1),
(2) by striking the period at the end of paragraph (2) and inserting “, and”, and 
(3) by adding at the end the following new paragraph:
“(3) a petition to the Tax Court under section 6404(h) in which the amount of the abatement sought does not exceed $50,000.”.
(b) EFFECTIVE DATE.—The amendments made by this section shall apply to cases pending as of the day after the date of the enactment of this Act, and cases commenced after such date of enactment.

SEC. 63. VENUE FOR APPEAL OF SPOUSAL RELIEF AND COLLECTION CASES.
(a) In General.—Paragraph (1) of section 7482(b) is amended—
(1) by striking “or” at the end of subparagraph (E),
(2) by striking the period at the end of subparagraph (F) and inserting a comma, and
(3) by inserting after subparagraph (F) the following new subparagraphs:
“(G) in the case of a petition under section 6015(e), the legal residence of the petitioner, or
“(H) in the case of a petition under section 6320 or 6330—
“(i) the legal residence of the petitioner if the petitioner is an individual, and
“(ii) the principal place of business or principal office or agency if the petitioner is an entity other than an individual.”.

(b) EFFECTIVE DATE.—

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

(2) EFFECT ON EXISTING PROCEEDINGS.—Nothing in this section shall be construed to create any inference with respect to the application of section 7482 of the Internal Revenue Code of 1986 with respect to court proceedings filed on or before the date of the enactment of this Act.

SEC. 64. SUSPENSION OF RUNNING OF PERIOD FOR FILING PETITION OF SPOUSAL RELIEF AND COLLECTION CASES.

(a) Petitions for Spousal Relief.—

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

“(6) Suspension of running of period for filing petition in title 11 cases.—In the case of a person who is prohibited by reason of a case
under title 11, United States Code, from filing a petition under paragraph (1)(A) with respect to a final determination of relief under this section, the running of the period prescribed by such paragraph for filing such a petition with respect to such final determination shall be suspended for the period during which the person is so prohibited from filing such a petition, and for 60 days thereafter.’’.

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

(b) COLLECTION PROCEEDINGS.—

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

(A) by striking ‘‘appeal such determination to the Tax Court’’ in paragraph (1) and inserting ‘‘petition the Tax Court for review of such determination’’,

(B) by striking ‘‘JUDICIAL REVIEW OF DETERMINATION’’ in the heading of paragraph (1) and inserting ‘‘PETITION FOR REVIEW BY TAX COURT’’,

(C) by redesignating paragraph (2) as paragraph (3), and
(D) by inserting after paragraph (1) the following new paragraph:

“(2) SUSPENSION OF RUNNING OF PERIOD FOR FILING PETITION IN TITLE 11 CASES.—In the case of a person who is prohibited by reason of a case under title 11, United States Code, from filing a petition under paragraph (1) with respect to a determination under this section, the running of the period prescribed by such subsection for filing such a petition with respect to such determination shall be suspended for the period during which the person is so prohibited from filing such a petition, and for 30 days thereafter, and”.

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

(c) CONFORMING AMENDMENT.—Subsection (c) of section 6320 is amended by striking “(2)(B)” and inserting “(3)(B)”.

SEC. 65. APPLICATION OF FEDERAL RULES OF EVIDENCE.

(a) IN GENERAL.—Section 7453 is amended by striking “the rules of evidence applicable in trials without a jury in the United States District Court of the District
of Columbia” and inserting “the Federal Rules of Evidence”.

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

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.

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

(1) by striking “return information reflected on returns of corporations” in subparagraph (B) and inserting “returns, or return information reflected thereon, of corporations, sole proprietorships with receipts for the taxable year to which such returns relate in excess of $750,000, and partnerships (excluding returns of the partners),”’, and

(2) by adding at the end the following new sentence: “For purposes of subparagraph (B), information furnished with respect to a sole proprietorship shall be limited to the identity of the sole proprietor—
ship and information relating to receipts, expenses,
profits, compensation, assets, and liabilities.”.

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

“(7) **DEPARTMENT OF LABOR.**—

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

“(i) corporations,

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

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

“(iv) tax-exempt entities, including
any Federal, State, local, or Indian tribal
government or any agency or instrument-
tality thereof,

as the Secretary may prescribe by regulation to
officers and employees of the Bureau of Labor
Statistics for the purpose of, but only to the ex-
tent necessary in, the structuring and conduct of censuses and surveys of labor and employment, prices, compensation and working conditions, and related statistical activities as authorized by law.

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

“(i) taxpayer identification number,

“(ii) business or entity name, trade name, mailing address, and physical location address,

“(iii) principal industry activity (including business description and industry code),

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

“(v) sales and revenues.

No information regarding returns of an individual employee shall be furnished under subparagraph (A).

“(C) DISCLOSURE TO CERTAIN STATE EMPLOYEES AND OFFICERS.—
“(i) In general.—Subject to approval by the Secretary, the information described in clauses (i), (ii), and (iii) of subparagraph (B) may be disclosed by officers and employees of the Bureau of Labor Statistics to officers and employees of state agencies that collect, process, and analyze survey responses and data from administrative records relating to unemployment insurance.

“(ii) Restriction on use of disclosed information.—Return information disclosed to State agencies under this paragraph may be used for the purpose of, but only to the extent necessary in, analyzing and independently verifying discrepancies between business lists issued by the Bureau of Labor Statistics and the Bureau of the Census in order to synchronize such lists. Such return information may be compared with State statistical agency records solely for the purpose of measuring the accuracy of the data maintained by such agency. If such agency data does not match the information furnished by the
Bureau of Labor Statistics, the State statistical agency must independently verify its own data using other sources. Only data independently obtained and verified may be made a part of the State statistical agency records.

“(iii) Monitoring by Bureau of Labor Statistics.—In the case of any disclosure to a State agency under clause (ii), the Bureau of Labor Statistics shall monitor compliance by such State agencies with applicable rules for safeguarding disclosed information, insuring that all relevant persons and sites comply with the requirements of subsection (p)(4).

“(8) Interagency Disclosure.—The Bureau of the Census, Bureau of Economic Analysis, and the Bureau of Labor Statistics and their officers and employees may share among themselves the return information disclosed under paragraphs (1) and (7) of this subsection pursuant to written agreements approved by the Secretary and in accordance with the rules of subsection (p)(2)(B) and the regulations thereunder, for the purpose of synchronizing the
business lists issued by the Bureau of Labor Statistics and the Bureau of the Census.”.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (4) of section 6103(p) is amended—

(A) by striking “(j)(1), (2), or (5)” and inserting “(j)(1), (2), (5), or (7)”,

(B) by striking “any other person described in subsection (k)(10),” in the matter preceding subparagraph (A) and inserting “any other person described in subsection (j)(7), (k)(10),”,

(C) by striking “subsection (k)(10) or subsection (l)(10),” in subparagraph (F)(i) and inserting “subsection (j)(7), (k)(10), or (l)(10),”,

(D) by striking “(j)(1), (2), or (5)” in subparagraph (F)(ii) and inserting “(j)(1), (2), (5), or (7)”, and

(E) by striking “any other person described in subsection (k)(10) or subsection (l)(10),” both places it appears in the matter following subparagraph (F)(iii) and inserting “any other person described in subsection (j)(7), (k)(10), or (l)(10),”.

(2) Paragraph (2) of section 7213(a) is amended by striking “(k)(10),” and inserting “(j)(7), (k)(10),”.

(d) **Effective Date.**—The amendments made by this section shall apply to disclosures after the date of the enactment of this Act.

**SEC. 72. INCREASED REFUND AND CREDIT THRESHOLD FOR JOINT COMMITTEE ON TAXATION REVIEW OF C CORPORATION RETURN.**

(a) **In General.**—Subsections (a) and (b) of section 6405 are each amended by inserting “($5,000,000 in the case of a C corporation)” after “$2,000,000”.

(b) **Effective Date.**—The amendment made by this section shall take effect on the date of the enactment of this Act, except that such amendment shall not apply with respect to any refund or credit with respect to a report that has been made before such date under section 6405 of the Internal Revenue Code of 1986.