The Chairman's Modification to the Provisions of the Taxpayer Assistance and Service Act

Section-by-Section Short Summary

A. Provisions Modifying the Proposals in the Chairman's Mark

1. Modification to Item V.B. of the Chairman's Mark relating to penalties for failure to provide valid preparer identification numbers

The modification requires the IRS to establish a secure, automated system allowing authorized users to confirm that an Electronic Filing Identification Number (EFIN) is active, eligible, and authorized for a particular electronic-filing activity.

2. Modification to Item VI.E. of the Chairman's Mark relating to the right of appeal

The modification clarifies tax-exempt organizations' access to IRS Appeals and requires written notice of its right to appeal when the IRS denies or revokes exempt status.

B. Additions to the Chairman's Mark

1. To amend the Internal Revenue Code of 1986 to modify the special rule for estimated taxes for farmers and fishermen

The provision changes the special return-and-payment deadline for qualifying farmers and fishermen to avoid incurring an estimated tax penalty from March 1 to April 15.

2. Reporting on document management to avoid duplicative requests to constituents

The provision requires the IRS to report to the Senate Finance Committee within one year of enactment and annually for five years thereafter on how it tracks paper and electronic submissions as well as efforts to upgrade document management so that taxpayers do not have to submit the same documents to different parts of the IRS multiple times.

3. Preventing Tax Fraud and Identity Theft Act

The provision requires specified information returns that currently are required to be filed with the IRS by March 31 to be filed with the IRS by January 31, the date when such returns are required to be furnished to taxpayers, so the IRS can verify income and withholding before issuing refunds.

4. Increase criminal and civil penalties for unauthorized disclosure of taxpayer information and extend criminal liability to IRS contractors who fail to implement section 6103 safeguards

The provision increases criminal and civil penalties for unauthorized disclosures of taxpayer information and creates a felony for IRS contractors whose willful safeguarding failures result in an unauthorized disclosure.

5. Fairness in Foreign Filing Act

The provision confirms that Title 26 penalties are administratively assessable unless inconsistent with the Secretary's past practice or the Code provides otherwise, creates pre-assessment Appeals review for specified international information-return penalties, and repeals special off-Code reporting deadlines for foreign trusts and related persons.

6. Child Care Tax Benefit Outreach and Assistance Act

The provision requires the IRS Commissioner to appoint within the IRS a Business Child Care Liaison to educate and assist employers regarding existing Federal tax benefits for employer-provided childcare.