

119TH CONGRESS
2D SESSION

S. _____

To require the Secretary of the Treasury to submit fraud prevention reports
and annual analyses of sources of tax law complexity.

IN THE SENATE OF THE UNITED STATES

Mr. LUJÁN (for himself and Mr. CORNYN) introduced the following bill; which
was read twice and referred to the Committee on _____

A BILL

To require the Secretary of the Treasury to submit fraud
prevention reports and annual analyses of sources of
tax law complexity.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tax Complexity and
5 Fraud Prevention Review Act”.

6 **SEC. 2. REPORTS TO CONGRESS.**

7 (a) FRAUD.—

8 (1) IN GENERAL.—Not later than the date
9 which is 12 months after the date of enactment of
10 this Act, and annually thereafter, the Secretary shall

1 provide a report to the Committee on Ways and
2 Means of the House of Representatives and the
3 Committee on Finance of the Senate regarding ef-
4 forts made by the Internal Revenue Service to iden-
5 tify, prevent, and resolve each type of tax fraud, in-
6 cluding first-person fraud and stolen identity refund
7 fraud.

8 (2) INFORMATION INCLUDED IN REPORT.—The
9 report described in paragraph (1) shall include—

10 (A) a detailed description, timeline, and
11 analysis of any efforts undertaken by the Inter-
12 nal Revenue Service and any of the other mem-
13 bers of the Security Summit during the most
14 recent tax filing season to address and prevent
15 each type of tax fraud, including—

16 (i) any specific information or guide-
17 lines provided by the Internal Revenue
18 Service to any of the other members of the
19 Security Summit (and vice versa) with re-
20 spect to tax fraud, including—

21 (I) any “be on the lookout”
22 alerts or other warnings,

23 (II) updated guidelines or restric-
24 tions,

25 (III) potential threat analyses,

1 (IV) specific data or analytics,
2 and

3 (V) any other actionable threat
4 information, and

5 (ii) any specific recommendations pro-
6 vided by the Internal Revenue Service to
7 any of the other members of the Security
8 Summit (and vice versa) with respect to
9 identifying, preventing, and resolving tax
10 fraud, including any potential improve-
11 ments to data, analytics, information shar-
12 ing, and collaboration between the Internal
13 Revenue Service and other members of the
14 Security Summit,

15 (B) a detailed description and timeline of
16 any interactions between the Internal Revenue
17 Service and any provider of tax filing options
18 which does not participate in the Security Sum-
19 mit, including—

20 (i) any specific information or guide-
21 lines provided by the Internal Revenue
22 Service to such provider (and vice versa)
23 with respect to each type of tax fraud, in-
24 cluding any items described in subclauses

1 (I) through (V) of subparagraph (A)(i),
2 and

3 (ii) any specific recommendations pro-
4 vided by the Internal Revenue Service to
5 such provider (and vice versa) with respect
6 to identifying, preventing, and resolving
7 tax fraud, including any potential improve-
8 ments to data, analytics, information shar-
9 ing, and collaboration between the Internal
10 Revenue Service and such provider,

11 (C) with respect to the most recently com-
12 pleted tax filing season—

13 (i) with respect to each specific type
14 or form of tax fraud that has been identi-
15 fied by the Internal Revenue Service, any
16 relevant data and analysis regarding the
17 amount of such fraud during such tax fil-
18 ing season, including detailed numerical
19 data regarding such fraud in relation to
20 each separate Federal tax return form (in-
21 cluding any amended returns) and the
22 manner in which such returns were filed,
23 and

24 (ii) the total dollar amount of fraudu-
25 lent claims for refund—

1 (I) for which any disbursement
2 was erroneously made, and
3 (II) which were identified and
4 disallowed prior to any disbursement
5 being made.

6 (3) PUBLICLY AVAILABLE.—Data included in
7 the report described in paragraph (1) shall be made
8 available on the public website of the Internal Rev-
9 enue Service, provided that such data is appro-
10 priately redacted by the Secretary.

11 (b) COMPLEXITY REPORT.—For purposes of section
12 4022 of the Internal Revenue Service Restructuring and
13 Reform Act of 1998 (26 U.S.C. 7801 note), the submis-
14 sion of the report required under section 7803(c)(2)(B)
15 of the Internal Revenue Code of 1986 shall not satisfy
16 the requirement under subsection (a) of section 4022 of
17 such Act to conduct an analysis of the sources of com-
18 plexity in administration of the Federal tax laws and re-
19 port the results of such analysis.

20 (c) REFERENCE TO SECRETARY.—For purposes of
21 this Act, the term “Secretary” means the Secretary of the
22 Treasury or the Secretary’s delegate.