

***In the House of Representatives, U. S.,***

*December 20, 2018.*

*Resolved*, That the House agree to the amendment of the Senate to the bill (H.R. 88) entitled “An Act to modify the boundary of the Shiloh National Military Park located in Tennessee and Mississippi, to establish Parker’s Crossroads Battlefield as an affiliated area of the National Park System, and for other purposes.”, with the following

**HOUSE AMENDMENT TO SENATE AMENDMENT:**

In lieu of the matter proposed to be inserted by the amendment of the Senate, insert the following:

1 ***DIVISION A—RETIREMENT, SAV-***  
2 ***INGS, AND OTHER TAX RE-***  
3 ***LIEF ACT OF 2018***

4 ***SECTION 1. SHORT TITLE, ETC.***

5 (a) *SHORT TITLE.*—*This division may be cited as the*  
6 *Retirement, Savings, and Other Tax Relief Act of 2018.*

7 (b) *AMENDMENT OF 1986 CODE.*—*Except as otherwise*  
8 *expressly provided, whenever in this division an amend-*  
9 *ment or repeal is expressed in terms of an amendment to,*  
10 *or repeal of, a section or other provision, the reference shall*  
11 *be considered to be made to a section or other provision*  
12 *of the Internal Revenue Code of 1986.*

- 1           (c) *TABLE OF CONTENTS.—The table of contents for*  
 2 *this division is as follows:*

*Sec. 1. Short title, etc.*

*TITLE I—DISASTER TAX RELIEF*

- Sec. 101. Definitions.*  
*Sec. 102. Special disaster-related rules for use of retirement funds.*  
*Sec. 103. Employee retention credit for employers affected by qualified disasters.*  
*Sec. 104. Other disaster-related tax relief provisions.*  
*Sec. 105. Treatment of certain possessions.*  
*Sec. 106. Automatic extension of filing deadline.*

*TITLE II—RETIREMENT AND SAVINGS*

*Subtitle A—Expanding and Preserving Retirement Savings*

- Sec. 201. Multiple employer plans; pooled employer plans.*  
*Sec. 202. Rules relating to election of safe harbor 401(k) status.*  
*Sec. 203. Certain taxable non-tuition fellowship and stipend payments treated as compensation for IRA purposes.*  
*Sec. 204. Repeal of maximum age for traditional IRA contributions.*  
*Sec. 205. Qualified employer plans prohibited from making loans through credit cards and other similar arrangements.*  
*Sec. 206. Portability of lifetime income investments.*  
*Sec. 207. Treatment of custodial accounts on termination of section 403(b) plans.*  
*Sec. 208. Clarification of retirement income account rules relating to church-controlled organizations.*  
*Sec. 209. Increase in 10 percent cap for automatic enrollment safe harbor after 1st plan year.*  
*Sec. 210. Increase in credit limitation for small employer pension plan startup costs.*  
*Sec. 211. Small employer automatic enrollment credit.*  
*Sec. 212. Exemption from required minimum distribution rules for individuals with certain account balances.*  
*Sec. 213. Elective deferrals by members of the Ready Reserve of a reserve component of the Armed Forces.*

*Subtitle B—Administrative Improvements*

- Sec. 221. Plan adopted by filing due date for year may be treated as in effect as of close of year.*  
*Sec. 222. Modification of nondiscrimination rules to protect older, longer service participants.*  
*Sec. 223. Fiduciary safe harbor for selection of lifetime income provider.*  
*Sec. 224. Disclosure regarding lifetime income.*  
*Sec. 225. Modification of PBGC premiums for CSEC plans.*

*Subtitle C—Other Savings Provisions*

- Sec. 231. Expansion of section 529 plans.*  
*Sec. 232. Penalty-free withdrawals from retirement plans for individuals in case of birth of child or adoption.*

*TITLE III—REPEAL OR DELAY OF CERTAIN HEALTH-RELATED  
TAXES*

- Sec. 301. Extension of moratorium on medical device excise tax.*  
*Sec. 302. Delay in implementation of excise tax on high cost employer-sponsored health coverage.*  
*Sec. 303. Extension of suspension of annual fee on health insurance providers.*  
*Sec. 304. Repeal of excise tax on indoor tanning services.*

*TITLE IV—CERTAIN EXPIRING PROVISIONS*

- Sec. 401. Railroad track maintenance credit made permanent.*  
*Sec. 402. Biodiesel and renewable diesel provisions extended and phased out.*

*TITLE V—OTHER PROVISIONS*

- Sec. 501. Technical amendments relating to Public Law 115–97.*  
*Sec. 502. Clarification of treatment of veterans as specified group for purposes of the low-income housing tax credit.*  
*Sec. 503. Clarification of general public use requirement for qualified residential rental projects.*  
*Sec. 504. Floor plan financing applicable to certain trailers and campers.*  
*Sec. 505. Repeal of increase in unrelated business taxable income by disallowed fringe.*  
*Sec. 506. Certain purchases of employee-owned stock disregarded for purposes of foundation tax on excess business holdings.*  
*Sec. 507. Allowing 501(c)(3) organization to make statements relating to political campaign in ordinary course of carrying out its tax exempt purpose.*  
*Sec. 508. Charitable organizations permitted to make collegiate housing and infrastructure grants.*  
*Sec. 509. Restriction on regulation of contingency fees with respect to tax returns, etc.*

**1    *TITLE I—DISASTER TAX RELIEF***

**2    *SEC. 101. DEFINITIONS.***

**3           *For purposes of this title—***

**4                   (1) *GENERAL DEFINITIONS.—***

**5                           (A) *QUALIFIED DISASTER AREA.—The term***

**6                                   “*qualified disaster area*” means the Hurricane**

**7                                   *Florence disaster area; the Hurricane Michael***

**8                                   *disaster area; the Typhoon Mangkhut disaster***

**9                                   *area; the Typhoon Yutu disaster area; the***

**10                                   *Mendocino wildfire disaster area; the Camp and***

1           *Woolsey wildfire disaster area; the Kilauea vol-*  
2           *canic eruption and earthquakes disaster area; the*  
3           *Hawaii severe storms, flooding, landslides, and*  
4           *mudslides disaster area; the Wisconsin severe*  
5           *storms, tornadoes, straight-line winds, flooding,*  
6           *and landslides disaster area; the Texas severe*  
7           *storms and flooding disaster area; the North*  
8           *Carolina tornado and severe storms disaster*  
9           *area; the Indiana severe storms and flooding dis-*  
10          *aster area; the Alabama severe storms and torna-*  
11          *does disaster area; and the Tropical Storm Gita*  
12          *disaster area.*

13                    *(B) QUALIFIED DISASTER ZONE.—The term*  
14                    *“qualified disaster zone” means that portion of*  
15                    *any qualified disaster area which is determined*  
16                    *by the President to warrant individual or indi-*  
17                    *vidual and public assistance from the Federal*  
18                    *Government under the Robert T. Stafford Dis-*  
19                    *aster Relief and Emergency Assistance Act by*  
20                    *reason of the qualified disaster with respect to*  
21                    *such disaster area.*

22                    *(C) QUALIFIED DISASTER.—The term*  
23                    *“qualified disaster” means, with respect to any*  
24                    *qualified disaster area, the disaster by reason of*

1           *which a major disaster was declared with respect*  
2           *to such area.*

3           (2) *HURRICANE FLORENCE.—*

4                   (A) *HURRICANE FLORENCE DISASTER*  
5           *AREA.—The term “Hurricane Florence disaster*  
6           *area” means an area with respect to which a*  
7           *major disaster has been declared by the President*  
8           *on or before December 17, 2018, under section*  
9           *401 of the Robert T. Stafford Disaster Relief and*  
10           *Emergency Assistance Act by reason of Hurri-*  
11           *cane Florence.*

12                   (B) *INCIDENT BEGINNING DATE.—The inci-*  
13           *dent beginning date of Hurricane Florence is*  
14           *September 7, 2018.*

15                   (C) *INCIDENT PERIOD.—The incident pe-*  
16           *riod of Hurricane Florence is the period begin-*  
17           *ning on the incident beginning date of Hurri-*  
18           *cane Florence and ending on October 8, 2018.*

19           (3) *HURRICANE MICHAEL.—*

20                   (A) *HURRICANE MICHAEL DISASTER*  
21           *AREA.—The term “Hurricane Michael disaster*  
22           *area” means an area with respect to which a*  
23           *major disaster has been declared by the President*  
24           *on or before December 17, 2018, under section*  
25           *401 of the Robert T. Stafford Disaster Relief and*

1           *Emergency Assistance Act by reason of Hurri-*  
2           *cane Michael.*

3           (B) *INCIDENT BEGINNING DATE.*—*The inci-*  
4           *dent beginning date of Hurricane Michael is Oc-*  
5           *tober 7, 2018.*

6           (C) *INCIDENT PERIOD.*—*The incident pe-*  
7           *riod of Hurricane Michael is the period begin-*  
8           *ning on the incident beginning date of Hurri-*  
9           *cane Michael and ending on October 23, 2018.*

10          (4) *TYPHOON MANGKHUT.*—

11           (A) *TYPHOON MANGKHUT DISASTER*  
12           *AREA.*—*The term “Typhoon Mangkhut disaster*  
13           *area” means an area with respect to which a*  
14           *major disaster has been declared by the President*  
15           *on or before December 17, 2018, under section*  
16           *401 of the Robert T. Stafford Disaster Relief and*  
17           *Emergency Assistance Act by reason of Typhoon*  
18           *Mangkhut.*

19           (B) *INCIDENT BEGINNING DATE.*—*The inci-*  
20           *dent beginning date of Typhoon Mangkhut is*  
21           *September 10, 2018.*

22           (C) *INCIDENT PERIOD.*—*The incident pe-*  
23           *riod of Typhoon Mangkhut is the period begin-*  
24           *ning on the incident beginning date of Typhoon*  
25           *Mangkhut and ending on September 11, 2018.*

1 (5) *TYPHOON YUTU*.—

2 (A) *TYPHOON YUTU DISASTER AREA*.—*The*  
3 *term “Typhoon Yutu disaster area” means an*  
4 *area with respect to which a major disaster has*  
5 *been declared by the President on or before De-*  
6 *cember 17, 2018, under section 401 of the Robert*  
7 *T. Stafford Disaster Relief and Emergency As-*  
8 *sistance Act by reason of Typhoon Yutu.*

9 (B) *INCIDENT BEGINNING DATE*.—*The inci-*  
10 *dent beginning date of Typhoon Yutu is October*  
11 *24, 2018.*

12 (C) *INCIDENT PERIOD*.—*The incident pe-*  
13 *riod of Typhoon Yutu is the period beginning on*  
14 *the incident beginning date of Typhoon Yutu*  
15 *and ending on October 26, 2018.*

16 (6) *MENDOCINO WILDFIRE*.—

17 (A) *MENDOCINO WILDFIRE DISASTER*  
18 *AREA*.—*The term “Mendocino wildfire disaster*  
19 *area” means an area with respect to which, dur-*  
20 *ing the period beginning on August 4, 2018, and*  
21 *ending on December 17, 2018, a major disaster*  
22 *has been declared by the President under section*  
23 *401 of the Robert T. Stafford Disaster Relief and*  
24 *Emergency Assistance Act by reason of the wild-*  
25 *fire in California commonly known as the*

1           *Mendocino wildfire of 2018 (including the Carr*  
2           *wildfire of 2018).*

3           *(B) INCIDENT BEGINNING DATE.—The inci-*  
4           *dent beginning date of the wildfires referred to in*  
5           *subparagraph (A) is July 23, 2018.*

6           *(C) INCIDENT PERIOD.—The incident pe-*  
7           *riod of the wildfires referred to in subparagraph*  
8           *(A) is the period beginning on the incident be-*  
9           *ginning date of such wildfires and ending on*  
10          *September 19, 2018.*

11          *(7) CAMP AND WOOLSEY WILDFIRES.—*

12          *(A) CAMP AND WOOLSEY WILDFIRE DIS-*  
13          *ASTER AREA.—The term “Camp and Woolsey*  
14          *wildfire disaster area” means an area with re-*  
15          *spect to which, during the period beginning on*  
16          *November 12, 2018, and ending on December 17,*  
17          *2018, a major disaster has been declared by the*  
18          *President under section 401 of the Robert T.*  
19          *Stafford Disaster Relief and Emergency Assist-*  
20          *ance Act by reason of the wildfires in California*  
21          *commonly known as the Camp and Woolsey*  
22          *wildfires of 2018 (including the Hill wildfire of*  
23          *2018).*



1           (B) *INCIDENT BEGINNING DATE.*—*The inci-*  
2           *dent beginning date of the wildfires referred to in*  
3           *subparagraph (A) is November 8, 2018.*

4           (C) *INCIDENT PERIOD.*—*The incident pe-*  
5           *riod of the wildfires referred to in subparagraph*  
6           *(A) is the period beginning on the incident be-*  
7           *ginning date of such wildfires and ending on No-*  
8           *vember 25, 2018.*

9           (8) *KILAUEA VOLCANIC ERUPTION AND EARTH-*  
10          *QUAKES.*—

11           (A) *KILAUEA VOLCANIC ERUPTION AND*  
12          *EARTHQUAKES DISASTER AREA.*—*The term*  
13          *“Kilauea volcanic eruption and earthquakes dis-*  
14          *aster area” means an area with respect to which,*  
15          *during the period beginning on May 11, 2018,*  
16          *and ending on December 17, 2018, a major dis-*  
17          *aster has been declared by the President under*  
18          *section 401 of the Robert T. Stafford Disaster*  
19          *Relief and Emergency Assistance Act by reason*  
20          *of the Kilauea volcanic eruption and earthquakes*  
21          *occurring in Hawaii during the period begin-*  
22          *ning on May 3, 2018, and ending on August 17,*  
23          *2018.*

24           (B) *INCIDENT BEGINNING DATE.*—*The inci-*  
25          *dent beginning date of the volcanic eruption and*

1           *earthquakes referred to in subparagraph (A) is*  
2           *May 3, 2018.*

3           (C) *INCIDENT PERIOD.*—*The incident pe-*  
4           *riod of the volcanic eruption and earthquakes re-*  
5           *ferred to in subparagraph (A) is the period be-*  
6           *ginning on the incident beginning date with re-*  
7           *spect to such eruption and earthquakes and end-*  
8           *ing on August 17, 2018.*

9           (9) *HAWAII SEVERE STORMS, FLOODING, LAND-*  
10          *SLIDES, AND MUDSLIDES.*—

11           (A) *HAWAII SEVERE STORMS, FLOODING,*  
12          *LANDSLIDES, AND MUDSLIDES DISASTER*  
13          *AREA.*—*The term “Hawaii severe storms, flood-*  
14          *ing, landslides, and mudslides disaster area”*  
15          *means an area with respect to which, during the*  
16          *period beginning on May 8, 2018, and ending on*  
17          *December 17, 2018, a major disaster has been de-*  
18          *clared by the President under section 401 of the*  
19          *Robert T. Stafford Disaster Relief and Emer-*  
20          *gency Assistance Act by reason of the severe*  
21          *storms, flooding, landslides, and mudslides oc-*  
22          *curring in Hawaii during the period beginning*  
23          *on April 13, 2018, and ending on April 16,*  
24          *2018.*

1           (B) *INCIDENT BEGINNING DATE.*—*The inci-*  
2           *dent beginning date of the severe storms, flood-*  
3           *ing, landslides, and mudslides referred to in sub-*  
4           *paragraph (A) is April 13, 2018.*

5           (C) *INCIDENT PERIOD.*—*The incident pe-*  
6           *riod of the severe storms, flooding, landslides,*  
7           *and mudslides referred to in subparagraph (A)*  
8           *is the period beginning on the incident beginning*  
9           *date with respect to such severe storms, flooding,*  
10           *landslides, and mudslides and ending on April*  
11           *16, 2018.*

12           (10) *WISCONSIN SEVERE STORMS, TORNADOES,*  
13           *STRAIGHT-LINE WINDS, FLOODING, AND LAND-*  
14           *SLIDES.*—

15           (A) *WISCONSIN SEVERE STORMS, TORNA-*  
16           *DOES, STRAIGHT-LINE WINDS, FLOODING, AND*  
17           *LANDSLIDES DISASTER AREA.*—*The term “Wis-*  
18           *consin severe storms, tornadoes, straight-line*  
19           *winds, flooding, and landslides disaster area”*  
20           *means an area with respect to which, during the*  
21           *period beginning on October 18, 2018, and end-*  
22           *ing on December 17, 2018, a major disaster has*  
23           *been declared by the President under section 401*  
24           *of the Robert T. Stafford Disaster Relief and*  
25           *Emergency Assistance Act by reason of the severe*

1           *storms, tornadoes, straight-line winds, flooding,*  
2           *and landslides occurring in Wisconsin during*  
3           *the period beginning on August 17, 2018, and*  
4           *ending on September 14, 2018.*

5           *(B) INCIDENT BEGINNING DATE.—The inci-*  
6           *dent beginning date of the severe storms, torna-*  
7           *does, straight-line winds, flooding, and landslides*  
8           *referred to in subparagraph (A) is August 17,*  
9           *2018.*

10          *(C) INCIDENT PERIOD.—The incident pe-*  
11          *riod of the severe storms, tornadoes, straight-line*  
12          *winds, flooding, and landslides referred to in*  
13          *subparagraph (A) is the period beginning on the*  
14          *incident beginning date with respect to such se-*  
15          *vere storms, tornadoes, straight-line winds, flood-*  
16          *ing, and landslides and ending on September 14,*  
17          *2018.*

18          *(11) TEXAS SEVERE STORMS AND FLOODING.—*

19                 *(A) TEXAS SEVERE STORMS AND FLOODING*  
20                 *DISASTER AREA.—The term “Texas severe storms*  
21                 *and flooding disaster area” means an area with*  
22                 *respect to which, during the period beginning on*  
23                 *July 6, 2018, and ending on December 17, 2018,*  
24                 *a major disaster has been declared by the Presi-*  
25                 *dent under section 401 of the Robert T. Stafford*

1           *Disaster Relief and Emergency Assistance Act by*  
2           *reason of the severe storms and flooding occur-*  
3           *ring in Texas during the period beginning on*  
4           *June 19, 2018, and ending on July 13, 2018.*

5           *(B) INCIDENT BEGINNING DATE.—The inci-*  
6           *dent beginning date of the severe storms and*  
7           *floodings referred to in subparagraph (A) is June*  
8           *19, 2018.*

9           *(C) INCIDENT PERIOD.—The incident pe-*  
10          *riod of the severe storms and flooding referred to*  
11          *in subparagraph (A) is the period beginning on*  
12          *the incident beginning date with respect to such*  
13          *severe storms and flooding and ending on July*  
14          *13, 2018.*

15          *(12) NORTH CAROLINA TORNADO AND SEVERE*  
16          *STORMS.—*

17                 *(A) NORTH CAROLINA TORNADO AND SE-*  
18                 *VERE STORMS DISASTER AREA.—The term*  
19                 *“North Carolina tornado and severe storms dis-*  
20                 *aster area” means an area with respect to which,*  
21                 *during the period beginning on May 8, 2018,*  
22                 *and ending on December 17, 2018, a major dis-*  
23                 *aster has been declared by the President under*  
24                 *section 401 of the Robert T. Stafford Disaster*  
25                 *Relief and Emergency Assistance Act by reason*

1           *of the tornado and severe storms occurring in*  
2           *North Carolina on April 15, 2018.*

3           *(B) INCIDENT BEGINNING DATE; INCIDENT*  
4           *PERIOD.—The incident beginning date, and the*  
5           *incident period, of the tornado and severe storms*  
6           *referred to in subparagraph (A) is April 15,*  
7           *2018.*

8           *(13) INDIANA SEVERE STORMS AND FLOODING.—*

9           *(A) INDIANA SEVERE STORMS AND FLOOD-*  
10          *ING DISASTER AREA.—The term “Indiana severe*  
11          *storms and flooding disaster area” means an*  
12          *area with respect to which, during the period be-*  
13          *ginning on May 4, 2018, and ending on Decem-*  
14          *ber 17, 2018, a major disaster has been declared*  
15          *by the President under section 401 of the Robert*  
16          *T. Stafford Disaster Relief and Emergency As-*  
17          *sistance Act by reason of the severe storms and*  
18          *floodings occurring in Indiana during the period*  
19          *beginning on February 14, 2018, and ending on*  
20          *March 4, 2018.*

21          *(B) INCIDENT BEGINNING DATE.—The inci-*  
22          *dent beginning date of the severe storms and*  
23          *floodings referred to in subparagraph (A) is Feb-*  
24          *ruary 14, 2018.*

1           (C) *INCIDENT PERIOD.*—*The incident pe-*  
2           *riod of the severe storms and flooding referred to*  
3           *in subparagraph (A) is the period beginning on*  
4           *the incident beginning date with respect to such*  
5           *severe storms and flooding and ending on March*  
6           *4, 2018.*

7           (14) *ALABAMA SEVERE STORMS AND TORNA-*  
8           *DOES.*—

9           (A) *ALABAMA SEVERE STORMS AND TORNA-*  
10           *DOES DISASTER AREA.*—*The term “Alabama se-*  
11           *vere storms and tornadoes disaster area” means*  
12           *an area with respect to which, during the period*  
13           *beginning on April 26, 2018, and ending on De-*  
14           *cember 17, 2018, a major disaster has been de-*  
15           *clared by the President under section 401 of the*  
16           *Robert T. Stafford Disaster Relief and Emer-*  
17           *gency Assistance Act by reason of the severe*  
18           *storms and tornadoes occurring in Alabama dur-*  
19           *ing the period beginning on March 19, 2018, and*  
20           *ending on March 20, 2018.*

21           (B) *INCIDENT BEGINNING DATE.*—*The inci-*  
22           *dent beginning date of the severe storms and tor-*  
23           *nadoes referred to in subparagraph (A) is March*  
24           *19, 2018.*

1           (C) *INCIDENT PERIOD.*—*The incident pe-*  
2           *riod of the severe storms and tornadoes referred*  
3           *to in subparagraph (A) is the period beginning*  
4           *on the incident beginning date with respect to*  
5           *such severe storms and tornadoes and ending on*  
6           *March 20, 2018.*

7           (15) *TROPICAL STORM GITA.*—

8           (A) *TROPICAL STORM GITA DISASTER*  
9           *AREA.*—*The term “Tropical Storm Gita disaster*  
10           *area” means an area with respect to which a*  
11           *major disaster has been declared by the President*  
12           *on or before December 17, 2018, under section*  
13           *401 of the Robert T. Stafford Disaster Relief and*  
14           *Emergency Assistance Act by reason of Tropical*  
15           *Storm Gita.*

16           (B) *INCIDENT BEGINNING DATE.*—*The inci-*  
17           *dent beginning date of Tropical Storm Gita is*  
18           *February 7, 2018.*

19           (C) *INCIDENT PERIOD.*—*The incident pe-*  
20           *riod of Tropical Storm Gita is the period begin-*  
21           *ning on the incident beginning date of Tropical*  
22           *Storm Gita and ending on February 12, 2018.*



1 **SEC. 102. SPECIAL DISASTER-RELATED RULES FOR USE OF**  
2 **RETIREMENT FUNDS.**

3 (a) *TAX-FAVORED WITHDRAWALS FROM RETIREMENT*  
4 *PLANS.*—

5 (1) *IN GENERAL.*—Section 72(t) of the Internal  
6 Revenue Code of 1986 shall not apply to any quali-  
7 fied disaster distribution.

8 (2) *AGGREGATE DOLLAR LIMITATION.*—

9 (A) *IN GENERAL.*—For purposes of this sub-  
10 section, the aggregate amount of distributions re-  
11 ceived by an individual which may be treated as  
12 qualified disaster distributions for any taxable  
13 year shall not exceed the excess (if any) of—

14 (i) \$100,000, over

15 (ii) the aggregate amounts treated as  
16 qualified disaster distributions received by  
17 such individual for all prior taxable years.

18 (B) *TREATMENT OF PLAN DISTRIBUTIONS.*—If a distribution to an individual would  
19 (without regard to subparagraph (A)) be a quali-  
20 fied disaster distribution, a plan shall not be  
21 treated as violating any requirement of the In-  
22 ternal Revenue Code of 1986 merely because the  
23 plan treats such distribution as a qualified dis-  
24 aster distribution, unless the aggregate amount  
25 of such distributions from all plans maintained  
26

1           *by the employer (and any member of any con-*  
2           *trolled group which includes the employer) to*  
3           *such individual exceeds \$100,000.*

4           (C) *CONTROLLED GROUP.*—*For purposes of*  
5           *subparagraph (B), the term “controlled group”*  
6           *means any group treated as a single employer*  
7           *under subsection (b), (c), (m), or (o) of section*  
8           *414 of the Internal Revenue Code of 1986.*

9           (D) *SPECIAL RULE FOR INDIVIDUALS AF-*  
10          *FECTED BY MORE THAN ONE DISASTER.*—*The*  
11          *limitation of subparagraph (A) shall be applied*  
12          *separately with respect to distributions made*  
13          *with respect to each qualified disaster which is*  
14          *described in a separate paragraph of section 101.*

15          (3) *AMOUNT DISTRIBUTED MAY BE REPAID.*—

16          (A) *IN GENERAL.*—*Any individual who re-*  
17          *ceives a qualified disaster distribution may, at*  
18          *any time during the 3-year period beginning on*  
19          *the day after the date on which such distribution*  
20          *was received, make 1 or more contributions in*  
21          *an aggregate amount not to exceed the amount*  
22          *of such distribution to an eligible retirement*  
23          *plan of which such individual is a beneficiary*  
24          *and to which a rollover contribution of such dis-*  
25          *tribution could be made under section 402(c),*

1           403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), of  
2           the Internal Revenue Code of 1986, as the case  
3           may be.

4           (B) *TREATMENT OF REPAYMENTS OF DIS-*  
5           *TRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS*  
6           *OTHER THAN IRAS.—For purposes of the Inter-*  
7           *nal Revenue Code of 1986, if a contribution is*  
8           *made pursuant to subparagraph (A) with respect*  
9           *to a qualified disaster distribution from an eligi-*  
10           *ble retirement plan other than an individual re-*  
11           *tirement plan, then the taxpayer shall, to the ex-*  
12           *tent of the amount of the contribution, be treated*  
13           *as having received the qualified disaster distribu-*  
14           *tion in an eligible rollover distribution (as de-*  
15           *fined in section 402(c)(4) of such Code) and as*  
16           *having transferred the amount to the eligible re-*  
17           *tirement plan in a direct trustee to trustee trans-*  
18           *fer within 60 days of the distribution.*

19           (C) *TREATMENT OF REPAYMENTS OF DIS-*  
20           *TRIBUTIONS FROM IRAS.—For purposes of the*  
21           *Internal Revenue Code of 1986, if a contribution*  
22           *is made pursuant to subparagraph (A) with re-*  
23           *spect to a qualified disaster distribution from an*  
24           *individual retirement plan (as defined by section*  
25           *7701(a)(37) of such Code), then, to the extent of*

1           *the amount of the contribution, the qualified dis-*  
2           *aster distribution shall be treated as a distribu-*  
3           *tion described in section 408(d)(3) of such Code*  
4           *and as having been transferred to the eligible re-*  
5           *irement plan in a direct trustee to trustee trans-*  
6           *fer within 60 days of the distribution.*

7           (4) *DEFINITIONS.—For purposes of this sub-*  
8           *section—*

9                   (A) *QUALIFIED DISASTER DISTRIBUTION.—*  
10            *Except as provided in paragraph (2), the term*  
11            *“qualified disaster distribution” means any dis-*  
12            *tribution from an eligible retirement plan made*  
13            *on or after the incident beginning date of a*  
14            *qualified disaster and before January 1, 2020, to*  
15            *an individual whose principal place of abode at*  
16            *any time during the incident period of such*  
17            *qualified disaster is located in the qualified dis-*  
18            *aster area with respect to such qualified disaster*  
19            *and who has sustained an economic loss by rea-*  
20            *son of such qualified disaster.*

21                   (B) *ELIGIBLE RETIREMENT PLAN.—The*  
22            *term “eligible retirement plan” shall have the*  
23            *meaning given such term by section 402(c)(8)(B)*  
24            *of the Internal Revenue Code of 1986.*

1           (5) *INCOME INCLUSION SPREAD OVER 3-YEAR PE-*  
2           *RIOD.—*

3                   (A) *IN GENERAL.—In the case of any quali-*  
4                   *fied disaster distribution, unless the taxpayer*  
5                   *elects not to have this paragraph apply for any*  
6                   *taxable year, any amount required to be in-*  
7                   *cluded in gross income for such taxable year*  
8                   *shall be so included ratably over the 3-taxable-*  
9                   *year period beginning with such taxable year.*

10                   (B) *SPECIAL RULE.—For purposes of sub-*  
11                   *paragraph (A), rules similar to the rules of sub-*  
12                   *paragraph (E) of section 408A(d)(3) of the Inter-*  
13                   *nal Revenue Code of 1986 shall apply.*

14           (6) *SPECIAL RULES.—*

15                   (A) *EXEMPTION OF DISTRIBUTIONS FROM*  
16                   *TRUSTEE TO TRUSTEE TRANSFER AND WITH-*  
17                   *HOLDING RULES.—For purposes of sections*  
18                   *401(a)(31), 402(f), and 3405 of the Internal Rev-*  
19                   *enue Code of 1986, qualified disaster distribu-*  
20                   *tions shall not be treated as eligible rollover dis-*  
21                   *tributions.*

22                   (B) *QUALIFIED DISASTER DISTRIBUTIONS*  
23                   *TREATED AS MEETING PLAN DISTRIBUTION RE-*  
24                   *QUIREMENTS.—For purposes the Internal Rev-*  
25                   *enue Code of 1986, a qualified disaster distribu-*

1            *tion shall be treated as meeting the requirements*  
2            *of sections 401(k)(2)(B)(I), 403(b)(7)(A)(ii),*  
3            *403(b)(11), and 457(d)(1)(A) of such Code.*

4            *(b) RECONTRIBUTIONS OF WITHDRAWALS FOR HOME*  
5            *PURCHASES.—*

6            *(1) RECONTRIBUTIONS.—*

7                    *(A) IN GENERAL.—Any individual who re-*  
8                    *ceived a qualified distribution may, during the*  
9                    *applicable period, make 1 or more contributions*  
10                   *in an aggregate amount not to exceed the*  
11                   *amount of such qualified distribution to an eligi-*  
12                   *ble retirement plan (as defined in section*  
13                   *402(c)(8)(B) of the Internal Revenue Code of*  
14                   *1986) of which such individual is a beneficiary*  
15                   *and to which a rollover contribution of such dis-*  
16                   *tribution could be made under section 402(c),*  
17                   *403(a)(4), 403(b)(8), or 408(d)(3), of such Code,*  
18                   *as the case may be.*

19                   *(B) TREATMENT OF REPAYMENTS.—Rules*  
20                   *similar to the rules of subparagraphs (B) and*  
21                   *(C) of subsection (a)(3) shall apply for purposes*  
22                   *of this subsection.*

23                   *(2) QUALIFIED DISTRIBUTION.—For purposes of*  
24                   *this subsection, the term “qualified distribution”*  
25                   *means any distribution—*

1           (A) described in section 401(k)(2)(B)(i)(IV),  
2           403(b)(7)(A)(ii) (but only to the extent such dis-  
3           tribution relates to financial hardship),  
4           403(b)(11)(B), or 72(t)(2)(F), of the Internal  
5           Revenue Code of 1986,

6           (B) which was to be used to purchase or  
7           construct a principal residence in a qualified  
8           disaster area, but which was not so used on ac-  
9           count of the qualified disaster with respect to  
10          such area, and

11          (C) which was received on or after January  
12          1, 2018, and before the date which is 30 days  
13          after the last day of the incident period of such  
14          qualified disaster.

15          (3) *APPLICABLE PERIOD.*—For purposes of this  
16          subsection, the term “applicable period” means, in the  
17          case of a principal residence in a qualified disaster  
18          area with respect to any qualified disaster, the period  
19          beginning on the incident beginning date of such  
20          qualified disaster and ending on February 28, 2019.

21          (c) *LOANS FROM QUALIFIED PLANS.*—

22          (1) *INCREASE IN LIMIT ON LOANS NOT TREATED*  
23          *AS DISTRIBUTIONS.*—In the case of any loan from a  
24          qualified employer plan (as defined under section  
25          72(p)(4) of the Internal Revenue Code of 1986) to a

1 *qualified individual made during the period begin-*  
2 *ning on the date of the enactment of this Act and end-*  
3 *ing on December 31, 2019—*

4 *(A) clause (i) of section 72(p)(2)(A) of such*  
5 *Code shall be applied by substituting “\$100,000”*  
6 *for “\$50,000”, and*

7 *(B) clause (ii) of such section shall be ap-*  
8 *plied by substituting “the present value of the*  
9 *nonforfeitable accrued benefit of the employee*  
10 *under the plan” for “one-half of the present*  
11 *value of the nonforfeitable accrued benefit of the*  
12 *employee under the plan”.*

13 *(2) DELAY OF REPAYMENT.—In the case of a*  
14 *qualified individual (with respect to any qualified*  
15 *disaster) with an outstanding loan on or after the in-*  
16 *cident beginning date (of such qualified disaster) from*  
17 *a qualified employer plan (as defined in section*  
18 *72(p)(4) of the Internal Revenue Code of 1986)—*

19 *(A) if the due date pursuant to subpara-*  
20 *graph (B) or (C) of section 72(p)(2) of such Code*  
21 *for any repayment with respect to such loan oc-*  
22 *curs during the period beginning on the incident*  
23 *beginning date of such qualified disaster and*  
24 *ending on December 31, 2019, such due date*  
25 *shall be delayed for 1 year,*



1           (B) any subsequent repayments with respect  
2           to any such loan shall be appropriately adjusted  
3           to reflect the delay in the due date under para-  
4           graph (1) and any interest accruing during such  
5           delay, and

6           (C) in determining the 5-year period and  
7           the term of a loan under subparagraph (B) or  
8           (C) of section 72(p)(2) of such Code, the period  
9           described in subparagraph (A) of this paragraph  
10          shall be disregarded.

11          (3) *QUALIFIED INDIVIDUAL.*—For purposes of  
12          this subsection, the term “qualified individual” means  
13          any individual—

14               (A) whose principal place of abode at any  
15               time during the incident period of any qualified  
16               disaster is located in the qualified disaster area  
17               with respect to such qualified disaster, and

18               (B) who has sustained an economic loss by  
19               reason of such qualified disaster.

20          (d) *PROVISIONS RELATING TO PLAN AMENDMENTS.*—

21               (1) *IN GENERAL.*—If this subsection applies to  
22               any amendment to any plan or annuity contract,  
23               such plan or contract shall be treated as being oper-  
24               ated in accordance with the terms of the plan during  
25               the period described in paragraph (2)(B)(i).

1           (2) *AMENDMENTS TO WHICH SUBSECTION AP-*  
2           *PLIES.—*

3           (A) *IN GENERAL.—This subsection shall*  
4           *apply to any amendment to any plan or annu-*  
5           *ity contract which is made—*

6                   (i) *pursuant to any provision of this*  
7                   *section, or pursuant to any regulation*  
8                   *issued by the Secretary or the Secretary of*  
9                   *Labor under any provision of this section,*  
10                  *and*

11                   (ii) *on or before the last day of the first*  
12                   *plan year beginning on or after January 1,*  
13                   *2020, or such later date as the Secretary*  
14                   *may prescribe.*

15           *In the case of a governmental plan (as defined*  
16           *in section 414(d) of the Internal Revenue Code*  
17           *of 1986), clause (ii) shall be applied by sub-*  
18           *stituting the date which is 2 years after the date*  
19           *otherwise applied under clause (ii).*

20           (B) *CONDITIONS.—This subsection shall not*  
21           *apply to any amendment unless—*

22                   (i) *during the period—*

23                           (I) *beginning on the date that this*  
24                           *section or the regulation described in*  
25                           *subparagraph (A)(i) takes effect (or in*

1           the case of a plan or contract amend-  
2           ment not required by this section or  
3           such regulation, the effective date speci-  
4           fied by the plan), and

5                       (II) ending on the date described  
6                       in subparagraph (A)(ii) (or, if earlier,  
7                       the date the plan or contract amend-  
8                       ment is adopted),

9           the plan or contract is operated as if such plan  
10          or contract amendment were in effect, and

11                       (ii) such plan or contract amendment  
12                       applies retroactively for such period.

13 **SEC. 103. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**  
14 **AFFECTED BY QUALIFIED DISASTERS.**

15          (a) *IN GENERAL.*—For purposes of section 38 of the  
16 *Internal Revenue Code of 1986*, in the case of an eligible  
17 employer, the 2018 qualified disaster employee retention  
18 credit shall be treated as a credit listed in subsection (b)  
19 of such section. For purposes of this subsection, the 2018  
20 qualified disaster employee retention credit for any taxable  
21 year is an amount equal to 40 percent of the qualified wages  
22 with respect to each eligible employee of such employer for  
23 such taxable year. For purposes of the preceding sentence,  
24 the amount of qualified wages which may be taken into ac-

1 *count with respect to any individual shall not exceed*  
2 *\$6,000.*

3 *(b) DEFINITIONS.—For purposes of this section—*

4 *(1) ELIGIBLE EMPLOYER.—The term “eligible*  
5 *employer” means any employer—*

6 *(A) which conducted an active trade or*  
7 *business in a qualified disaster zone at any time*  
8 *during the incident period of the qualified dis-*  
9 *aster with respect to such qualified disaster zone,*  
10 *and*

11 *(B) with respect to whom the trade or busi-*  
12 *ness described in subparagraph (A) is inoperable*  
13 *at any time after the incident beginning date of*  
14 *such qualified disaster, and before January 1,*  
15 *2019, as a result of damage sustained by reason*  
16 *of such qualified disaster.*

17 *(2) ELIGIBLE EMPLOYEE.—The term “eligible*  
18 *employee” means with respect to an eligible employer*  
19 *an employee whose principal place of employment at*  
20 *any time during the incident period of the qualified*  
21 *disaster referred to in paragraph (1) with such eligi-*  
22 *ble employer was in the qualified disaster zone re-*  
23 *ferred to in such paragraph.*

24 *(3) QUALIFIED WAGES.—The term “qualified*  
25 *wages” means wages (as defined in section 51(c)(1) of*

1 *the Internal Revenue Code of 1986, but without re-*  
2 *gard to section 3306(b)(2)(B) of such Code) paid or*  
3 *incurred by an eligible employer with respect to an*  
4 *eligible employee at any time after the incident begin-*  
5 *ning date of the qualified disaster referred to in para-*  
6 *graph (1), and before January 1, 2019, which occurs*  
7 *during the period—*

8 *(A) beginning on the date on which the*  
9 *trade or business described in paragraph (1)*  
10 *first became inoperable at the principal place of*  
11 *employment of the employee immediately before*  
12 *the qualified disaster referred to in such para-*  
13 *graph, and*

14 *(B) ending on the date on which such trade*  
15 *or business has resumed significant operations at*  
16 *such principal place of employment.*

17 *Such term shall include wages paid without regard to*  
18 *whether the employee performs no services, performs*  
19 *services at a different place of employment than such*  
20 *principal place of employment, or performs services*  
21 *at such principal place of employment before signifi-*  
22 *cant operations have resumed.*

23 *(c) CERTAIN RULES TO APPLY.—For purposes of this*  
24 *subsection, rules similar to the rules of sections 51(i)(1),*

1 52, and 280C(a), of the Internal Revenue Code of 1986,  
2 shall apply.

3 (d) *EMPLOYEE NOT TAKEN INTO ACCOUNT MORE*  
4 *THAN ONCE.*—An employee shall not be treated as an eligi-  
5 ble employee for purposes of this subsection for any period  
6 with respect to any employer if such employer is allowed  
7 a credit under section 51 of the Internal Revenue Code of  
8 1986 with respect to such employee for such period.

9 **SEC. 104. OTHER DISASTER-RELATED TAX RELIEF PROVI-**  
10 **SIONS.**

11 (a) *TEMPORARY SUSPENSION OF LIMITATIONS ON*  
12 *CHARITABLE CONTRIBUTIONS.*—

13 (1) *IN GENERAL.*—Except as otherwise provided  
14 in paragraph (2), subsection (b) of section 170 of the  
15 Internal Revenue Code of 1986 shall not apply to  
16 qualified contributions and such contributions shall  
17 not be taken into account for purposes of applying  
18 subsections (b) and (d) of such section to other con-  
19 tributions.

20 (2) *TREATMENT OF EXCESS CONTRIBUTIONS.*—  
21 For purposes of section 170 of the Internal Revenue  
22 Code of 1986—

23 (A) *INDIVIDUALS.*—In the case of an indi-  
24 vidual—

1           (i) *LIMITATION.*—Any qualified con-  
2           tribution shall be allowed only to the extent  
3           that the aggregate of such contributions does  
4           not exceed the excess of the taxpayer’s con-  
5           tribution base (as defined in subparagraph  
6           (H) of section 170(b)(1) of such Code) over  
7           the amount of all other charitable contribu-  
8           tions allowed under section 170(b)(1) of  
9           such Code.

10          (ii) *CARRYOVER.*—If the aggregate  
11          amount of qualified contributions made in  
12          the contribution year (within the meaning  
13          of section 170(d)(1) of such Code) exceeds  
14          the limitation of clause (i), such excess shall  
15          be added to the excess described in the por-  
16          tion of subparagraph (A) of such section  
17          which precedes clause (i) thereof for pur-  
18          poses of applying such section.

19          (B) *CORPORATIONS.*—In the case of a cor-  
20          poration—

21               (i) *LIMITATION.*—Any qualified con-  
22               tribution shall be allowed only to the extent  
23               that the aggregate of such contributions does  
24               not exceed the excess of the taxpayer’s tax-  
25               able income (as determined under para-

1 *graph (2) of section 170(b) of such Code)*  
2 *over the amount of all other charitable con-*  
3 *tributions allowed under such paragraph.*

4 *(ii) CARRYOVER.—Rules similar to the*  
5 *rules of subparagraph (A)(i) shall apply*  
6 *for purposes of this subparagraph.*

7 *(3) QUALIFIED CONTRIBUTIONS.—*

8 *(A) IN GENERAL.—For purposes of this sub-*  
9 *section, the term “qualified contribution” means*  
10 *any charitable contribution (as defined in sec-*  
11 *tion 170(c) of the Internal Revenue Code of*  
12 *1986) if—*

13 *(i) such contribution—*

14 *(I) is paid during the period be-*  
15 *ginning on February 7, 2018, and end-*  
16 *ing on December 31, 2018, in cash to*  
17 *an organization described in section*  
18 *170(b)(1)(A) of such Code, and*

19 *(II) is made for relief efforts in*  
20 *one or more qualified disaster areas,*

21 *(ii) the taxpayer obtains from such or-*  
22 *ganization contemporaneous written ac-*  
23 *knowledgment (within the meaning of sec-*  
24 *tion 170(f)(8) of such Code) that such con-*



1                    *tribution was used (or is to be used) for re-*  
 2                    *lief efforts described in clause (i)(II), and*  
 3                    *(iii) the taxpayer has elected the appli-*  
 4                    *cation of this subsection with respect to such*  
 5                    *contribution.*

6                    *(B) EXCEPTION.—Such term shall not in-*  
 7                    *clude a contribution by a donor if the contribu-*  
 8                    *tion is—*

9                    *(i) to an organization described in sec-*  
 10                    *tion 509(a)(3) of the Internal Revenue Code*  
 11                    *of 1986, or*

12                    *(ii) for the establishment of a new, or*  
 13                    *maintenance of an existing, donor advised*  
 14                    *fund (as defined in section 4966(d)(2) of*  
 15                    *such Code).*

16                    *(C) APPLICATION OF ELECTION TO PART-*  
 17                    *NERSHIPS AND S CORPORATIONS.—In the case of*  
 18                    *a partnership or S corporation, the election*  
 19                    *under subparagraph (A)(iii) shall be made sepa-*  
 20                    *rately by each partner or shareholder.*

21                    *(b) SPECIAL RULES FOR QUALIFIED DISASTER-RE-*  
 22                    *LATED PERSONAL CASUALTY LOSSES.—*

23                    *(1) IN GENERAL.—If an individual has a net*  
 24                    *disaster loss for any taxable year—*

1           (A) the amount determined under section  
2           165(h)(2)(A)(ii) of the Internal Revenue Code of  
3           1986 shall be equal to the sum of—

4                   (i) such net disaster loss, and

5                   (ii) so much of the excess referred to in  
6           the matter preceding clause (i) of section  
7           165(h)(2)(A) of such Code (reduced by the  
8           amount in clause (i) of this subparagraph)  
9           as exceeds 10 percent of the adjusted gross  
10          income of the individual,

11          (B) section 165(h)(1) of such Code shall be  
12          applied by substituting “\$500” for “\$500 (\$100  
13          for taxable years beginning after December 31,  
14          2009)”,

15          (C) the standard deduction determined  
16          under section 63(c) of such Code shall be in-  
17          creased by the net disaster loss, and

18          (D) section 56(b)(1)(E) of such Code shall  
19          not apply to so much of the standard deduction  
20          as is attributable to the increase under subpara-  
21          graph (C) of this paragraph.

22          (2) NET DISASTER LOSS.—For purposes of this  
23          subsection, the term “net disaster loss” means the ex-  
24          cess of qualified disaster-related personal casualty  
25          losses over personal casualty gains (as defined in sec-

1        *tion 165(h)(3)(A) of the Internal Revenue Code of*  
2        *1986).*

3            (3) *QUALIFIED DISASTER-RELATED PERSONAL*  
4        *CASUALTY LOSSES.—For purposes of this subsection,*  
5        *the term “qualified disaster-related personal casualty*  
6        *losses” means losses described in section 165(c)(3) of*  
7        *the Internal Revenue Code of 1986 which arise in a*  
8        *qualified disaster area on or after the incident begin-*  
9        *ning date of the qualified disaster to which such area*  
10       *relates, and which are attributable to such qualified*  
11       *disaster.*

12       (c) *SPECIAL RULE FOR DETERMINING EARNED IN-*  
13       *COME.—*

14            (1) *IN GENERAL.—In the case of a qualified in-*  
15        *dividual, if the earned income of the taxpayer for the*  
16        *applicable taxable year is less than the earned income*  
17        *of the taxpayer for the preceding taxable year, the*  
18        *credits allowed under sections 24(d) and 32 of the In-*  
19        *ternal Revenue Code of 1986 may, at the election of*  
20        *the taxpayer, be determined by substituting—*

21            (A) *such earned income for the preceding*  
22        *taxable year, for*

23            (B) *such earned income for the applicable*  
24        *taxable year.*

1           (2) *QUALIFIED INDIVIDUAL.*—For purposes of  
2           this subsection, the term “qualified individual” means  
3           any individual whose principal place of abode at any  
4           time during the incident period of any qualified dis-  
5           aster was located—

6                   (A) in the qualified disaster zone with re-  
7                   spect to such qualified disaster, or

8                   (B) in the qualified disaster area with re-  
9                   spect to such qualified disaster (but outside the  
10                  qualified disaster zone with respect to such quali-  
11                  fied disaster) and such individual was displaced  
12                  from such principal place of abode by reason of  
13                  such qualified disaster.

14           (3) *APPLICABLE TAXABLE YEAR.*—The term “ap-  
15           plicable taxable year” means, with respect to any  
16           qualified individual, any taxable year which includes  
17           any day during the incident period of the qualified  
18           disaster to which the qualified disaster area referred  
19           to in paragraph (2) relates.

20           (4) *EARNED INCOME.*—For purposes of this sub-  
21           section, the term “earned income” has the meaning  
22           given such term under section 32(c) of the Internal  
23           Revenue Code of 1986.

24           (5) *SPECIAL RULES.*—

1           (A) *APPLICATION TO JOINT RETURNS.*—For  
2 purposes of paragraph (1), in the case of a joint  
3 return for an applicable taxable year—

4           (i) such paragraph shall apply if ei-  
5 ther spouse is a qualified individual, and

6           (ii) the earned income of the taxpayer  
7 for the preceding taxable year shall be the  
8 sum of the earned income of each spouse for  
9 such preceding taxable year.

10          (B) *UNIFORM APPLICATION OF ELECTION.*—  
11 Any election made under paragraph (1) shall  
12 apply with respect to both sections 24(d) and 32  
13 of the Internal Revenue Code of 1986.

14          (C) *ERRORS TREATED AS MATHEMATICAL*  
15 *ERROR.*—For purposes of section 6213 of the In-  
16 ternal Revenue Code of 1986, an incorrect use on  
17 a return of earned income pursuant to para-  
18 graph (1) shall be treated as a mathematical or  
19 clerical error.

20          (D) *NO EFFECT ON DETERMINATION OF*  
21 *GROSS INCOME, ETC.*—Except as otherwise pro-  
22 vided in this subsection, the Internal Revenue  
23 Code of 1986 shall be applied without regard to  
24 any substitution under paragraph (1).

1 **SEC. 105. TREATMENT OF CERTAIN POSSESSIONS.**

2       (a) *PAYMENTS TO GUAM AND THE COMMONWEALTH OF*  
3 *THE NORTHERN MARIANA ISLANDS.*—*The Secretary of the*  
4 *Treasury shall pay to Guam and the Commonwealth of the*  
5 *Northern Mariana Islands amounts equal to the loss to that*  
6 *possession by reason of the application of the provisions of*  
7 *this title. Such amounts shall be determined by the Sec-*  
8 *retary of the Treasury based on information provided by*  
9 *the government of the respective possession.*

10       (b) *PAYMENTS TO AMERICAN SAMOA.*—

11           (1) *IN GENERAL.*—*The Secretary of the Treasury*  
12 *shall pay to American Samoa amounts estimated by*  
13 *the Secretary of the Treasury as being equal to the*  
14 *aggregate benefits that would have been provided to*  
15 *residents of American Samoa by reason of the provi-*  
16 *sions of this title if a mirror code tax system had been*  
17 *in effect in American Samoa. The preceding sentence*  
18 *shall not apply unless American Samoa has a plan,*  
19 *which has been approved by the Secretary of the*  
20 *Treasury, under which American Samoa will*  
21 *promptly distribute such payments to its residents.*

22           (2) *MIRROR CODE TAX SYSTEM.*—*For purposes*  
23 *of this subsection, the term “mirror code tax system”*  
24 *means, with respect to any possession of the United*  
25 *States, the income tax system of such possession if the*  
26 *income tax liability of the residents of such possession*

1        *under such system is determined by reference to the*  
2        *income tax laws of the United States as if such pos-*  
3        *session were the United States.*

4        *(c) TREATMENT OF PAYMENTS.—For purposes of sec-*  
5        *tion 1324 of title 31, United States Code, the payments*  
6        *under this section shall be treated in the same manner as*  
7        *a refund due from a credit provision referred to in sub-*  
8        *section (b)(2) of such section.*

9        **SEC. 106. AUTOMATIC EXTENSION OF FILING DEADLINE.**

10        *(a) IN GENERAL.—Section 7508A is amended by add-*  
11        *ing at the end the following new subsection:*

12        *“(d) MANDATORY 60-DAY EXTENSION.—In the case*  
13        *of—*

14                *“(1) any individual whose principal place of*  
15                *abode is in a disaster area (as defined in section*  
16                *165(i)(5)(B)), and*

17                *“(2) any taxpayer if the taxpayer’s principal*  
18                *place of business (other than the business of per-*  
19                *forming services of an employee) is located in a dis-*  
20                *aster area (as so defined),*

21        *the period beginning on the earliest incident date specified*  
22        *in the declaration to which such area relates and ending*  
23        *on the date which is 60 days after the latest incident date*  
24        *so specified shall be disregarded in the same manner as a*  
25        *period specified under subsection (a).”.*

1       (b) *EFFECTIVE DATE.*—*The amendment made by this*  
2 *section shall apply to Federally declared disasters declared*  
3 *after December 31, 2017.*

4       ***TITLE II—RETIREMENT AND***  
5       ***SAVINGS***

6       ***Subtitle A—Expanding and***  
7       ***Preserving Retirement Savings***

8       ***SEC. 201. MULTIPLE EMPLOYER PLANS; POOLED EMPLOYER***  
9       ***PLANS.***

10       (a) *QUALIFICATION REQUIREMENTS.*—

11           (1) *IN GENERAL.*—*Section 413 is amended by*  
12 *adding at the end the following new subsection:*

13           “*(e) APPLICATION OF QUALIFICATION REQUIREMENTS*  
14 *FOR CERTAIN MULTIPLE EMPLOYER PLANS WITH POOLED*  
15 *PLAN PROVIDERS.*—

16           “*(1) IN GENERAL.*—*Except as provided in para-*  
17 *graph (2), if a defined contribution plan to which*  
18 *subsection (c) applies—*

19           “*(A) is maintained by employers which*  
20 *have a common interest other than having adopt-*  
21 *ed the plan, or*

22           “*(B) in the case of a plan not described in*  
23 *subparagraph (A), has a pooled plan provider,*  
24 *then the plan shall not be treated as failing to meet*  
25 *the requirements under this title applicable to a plan*



1 *described in section 401(a) or to a plan that consists*  
2 *of individual retirement accounts described in section*  
3 *408 (including by reason of subsection (c) thereof),*  
4 *whichever is applicable, merely because one or more*  
5 *employers of employees covered by the plan fail to*  
6 *take such actions as are required of such employers*  
7 *for the plan to meet such requirements.*

8 “(2) *LIMITATIONS.—*

9 “(A) *IN GENERAL.—Paragraph (1) shall*  
10 *not apply to any plan unless the terms of the*  
11 *plan provide that in the case of any employer in*  
12 *the plan failing to take the actions described in*  
13 *paragraph (1)—*

14 “(i) *the assets of the plan attributable*  
15 *to employees of such employer (or bene-*  
16 *ficiaries of such employees) will be trans-*  
17 *ferred to a plan maintained only by such*  
18 *employer (or its successor), to an eligible re-*  
19 *tirement plan as defined in section*  
20 *402(c)(8)(B) for each individual whose ac-*  
21 *count is transferred, or to any other ar-*  
22 *rangement that the Secretary determines is*  
23 *appropriate, unless the Secretary deter-*  
24 *mines it is in the best interests of the em-*  
25 *ployees of such employer (and the bene-*

1           *ficiaries of such employees) to retain the as-*  
2           *sets in the plan, and*

3           “(ii) *such employer (and not the plan*  
4           *with respect to which the failure occurred or*  
5           *any other employer in such plan) shall, ex-*  
6           *cept to the extent provided by the Secretary,*  
7           *be liable for any liabilities with respect to*  
8           *such plan attributable to employees of such*  
9           *employer (or beneficiaries of such employ-*  
10           *ees).*

11           “(B) *FAILURES BY POOLED PLAN PRO-*  
12           *VIDERS.—If the pooled plan provider of a plan*  
13           *described in paragraph (1)(B) does not perform*  
14           *substantially all of the administrative duties*  
15           *which are required of the provider under para-*  
16           *graph (3)(A)(i) for any plan year, the Secretary*  
17           *may provide that the determination as to wheth-*  
18           *er the plan meets the requirements under this*  
19           *title applicable to a plan described in section*  
20           *401(a) or to a plan that consists of individual*  
21           *retirement accounts described in section 408 (in-*  
22           *cluding by reason of subsection (c) thereof),*  
23           *whichever is applicable, shall be made in the*  
24           *same manner as would be made without regard*  
25           *to paragraph (1).*

1           “(3) *POOLED PLAN PROVIDER.*—

2                   “(A) *IN GENERAL.*—*For purposes of this*  
3 *subsection, the term ‘pooled plan provider’*  
4 *means, with respect to any plan, a person who—*

5                           “(i) *is designated by the terms of the*  
6 *plan as a named fiduciary (within the*  
7 *meaning of section 402(a)(2) of the Em-*  
8 *ployee Retirement Income Security Act of*  
9 *1974), as the plan administrator, and as*  
10 *the person responsible to perform all admin-*  
11 *istrative duties (including conducting prop-*  
12 *er testing with respect to the plan and the*  
13 *employees of each employer in the plan)*  
14 *which are reasonably necessary to ensure*  
15 *that—*

16                                   “(I) *the plan meets any require-*  
17 *ment applicable under the Employee*  
18 *Retirement Income Security Act of*  
19 *1974 or this title to a plan described in*  
20 *section 401(a) or to a plan that con-*  
21 *sists of individual retirement accounts*  
22 *described in section 408 (including by*  
23 *reason of subsection (c) thereof), which-*  
24 *ever is applicable, and*

1           “(II) each employer in the plan  
2           takes such actions as the Secretary or  
3           such person determines are necessary  
4           for the plan to meet the requirements  
5           described in subclause (I), including  
6           providing to such person any disclo-  
7           sures or other information which the  
8           Secretary may require or which such  
9           person otherwise determines are nec-  
10          essary to administer the plan or to  
11          allow the plan to meet such require-  
12          ments,

13           “(ii) registers as a pooled plan pro-  
14          vider with the Secretary, and provides such  
15          other information to the Secretary as the  
16          Secretary may require, before beginning op-  
17          erations as a pooled plan provider,

18           “(iii) acknowledges in writing that  
19          such person is a named fiduciary (within  
20          the meaning of section 402(a)(2) of the Em-  
21          ployee Retirement Income Security Act of  
22          1974), and the plan administrator, with re-  
23          spect to the plan, and

24           “(iv) is responsible for ensuring that  
25          all persons who handle assets of, or who are

1           *fiduciaries of, the plan are bonded in ac-*  
2           *cordance with section 412 of the Employee*  
3           *Retirement Income Security Act of 1974.*

4           “(B) *AUDITS, EXAMINATIONS AND INVES-*  
5           *TIGATIONS.—The Secretary may perform audits,*  
6           *examinations, and investigations of pooled plan*  
7           *providers as may be necessary to enforce and*  
8           *carry out the purposes of this subsection.*

9           “(C) *AGGREGATION RULES.—For purposes*  
10          *of this paragraph, in determining whether a per-*  
11          *son meets the requirements of this paragraph to*  
12          *be a pooled plan provider with respect to any*  
13          *plan, all persons who perform services for the*  
14          *plan and who are treated as a single employer*  
15          *under subsection (b), (c), (m), or (o) of section*  
16          *414 shall be treated as one person.*

17          “(D) *TREATMENT OF EMPLOYERS AS PLAN*  
18          *SPONSORS.—Except with respect to the adminis-*  
19          *trative duties of the pooled plan provider de-*  
20          *scribed in subparagraph (A)(i), each employer in*  
21          *a plan which has a pooled plan provider shall*  
22          *be treated as the plan sponsor with respect to the*  
23          *portion of the plan attributable to employees of*  
24          *such employer (or beneficiaries of such employ-*  
25          *ees).*

1           “(4) *GUIDANCE.*—*The Secretary shall issue such*  
2 *guidance as the Secretary determines appropriate to*  
3 *carry out this subsection, including guidance—*

4                   “(A) *to identify the administrative duties*  
5 *and other actions required to be performed by a*  
6 *pooled plan provider under this subsection,*

7                   “(B) *which describes the procedures to be*  
8 *taken to terminate a plan which fails to meet the*  
9 *requirements to be a plan described in para-*  
10 *graph (1), including the proper treatment of,*  
11 *and actions needed to be taken by, any employer*  
12 *in the plan and the assets and liabilities of the*  
13 *plan attributable to employees of such employer*  
14 *(or beneficiaries of such employees), and*

15                   “(C) *identifying appropriate cases to which*  
16 *the rules of paragraph (2)(A) will apply to em-*  
17 *ployers in the plan failing to take the actions de-*  
18 *scribed in paragraph (1).*

19           *The Secretary shall take into account under subpara-*  
20 *graph (C) whether the failure of an employer or*  
21 *pooled plan provider to provide any disclosures or*  
22 *other information, or to take any other action, nec-*  
23 *essary to administer a plan or to allow a plan to*  
24 *meet requirements applicable to the plan under sec-*  
25 *tion 401(a) or 408, whichever is applicable, has con-*

1        *tinued over a period of time that demonstrates a lack*  
2        *of commitment to compliance.*

3               “(5) *MODEL PLAN.—The Secretary shall publish*  
4        *model plan language which meets the requirements of*  
5        *this subsection and of paragraphs (43) and (44) of*  
6        *section 3 of the Employee Retirement Income Security*  
7        *Act of 1974 and which may be adopted in order for*  
8        *a plan to be treated as a plan described in paragraph*  
9        *(1)(B).”.*

10               (2)        *CONFORMING        AMENDMENT.—Section*  
11        *413(c)(2) is amended by striking “section 401(a)”*  
12        *and inserting “sections 401(a) and 408(c)”.*

13               (3) *TECHNICAL AMENDMENT.—Section 408(c) is*  
14        *amended by inserting after paragraph (2) the fol-*  
15        *lowing new paragraph:*

16               “(3) *There is a separate accounting for any in-*  
17        *terest of an employee or member (or spouse of an em-*  
18        *ployee or member) in a Roth IRA.”.*

19               (b) *NO COMMON INTEREST REQUIRED FOR POOLED*  
20        *EMPLOYER PLANS.—Section 3(2) of the Employee Retire-*  
21        *ment Income Security Act of 1974 (29 U.S.C. 1002(2)) is*  
22        *amended by adding at the end the following:*

23               “(C) *A pooled employer plan shall be treat-*  
24        *ed as—*

1                   “(i) a single employee pension benefit  
2                   plan or single pension plan; and

3                   “(ii) a plan to which section 210(a)  
4                   applies.”.

5           (c) *POOLED EMPLOYER PLAN AND PROVIDER DE-*  
6 *FINED.*—

7                   (1) *IN GENERAL.*—Section 3 of the *Employee Re-*  
8 *tirement Income Security Act of 1974 (29 U.S.C.*  
9 *1002)* is amended by adding at the end the following:

10                   “(43) *POOLED EMPLOYER PLAN.*—

11                   “(A) *IN GENERAL.*—The term ‘pooled em-  
12                   ployer plan’ means a plan—

13                   “(i) which is an individual account  
14                   plan established or maintained for the pur-  
15                   pose of providing benefits to the employees  
16                   of 2 or more employers;

17                   “(ii) which is a plan described in sec-  
18                   tion 401(a) of the *Internal Revenue Code of*  
19 *1986* which includes a trust exempt from  
20 *tax under section 501(a) of such Code* or a  
21 *plan that consists of individual retirement*  
22 *accounts described in section 408 of such*  
23 *Code (including by reason of subsection (c)*  
24 *thereof); and*



1           “(iii) the terms of which meet the re-  
2           quirements of subparagraph (B).

3           *Such term shall not include a plan maintained*  
4           *by employers which have a common interest*  
5           *other than having adopted the plan.*

6           “(B) REQUIREMENTS FOR PLAN TERMS.—  
7           *The requirements of this subparagraph are met*  
8           *with respect to any plan if the terms of the*  
9           *plan—*

10           “(i) designate a pooled plan provider  
11           and provide that the pooled plan provider is  
12           a named fiduciary of the plan;

13           “(ii) designate one or more trustees  
14           meeting the requirements of section  
15           408(a)(2) of the Internal Revenue Code of  
16           1986 (other than an employer in the plan)  
17           to be responsible for collecting contributions  
18           to, and holding the assets of, the plan and  
19           require such trustees to implement written  
20           contribution collection procedures that are  
21           reasonable, diligent, and systematic;

22           “(iii) provide that each employer in  
23           the plan retains fiduciary responsibility  
24           for—

1           “(I) the selection and monitoring  
2           in accordance with section 404(a) of  
3           the person designated as the pooled  
4           plan provider and any other person  
5           who, in addition to the pooled plan  
6           provider, is designated as a named fi-  
7           diciary of the plan; and

8           “(II) to the extent not otherwise  
9           delegated to another fiduciary by the  
10          pooled plan provider and subject to the  
11          provisions of section 404(c), the invest-  
12          ment and management of the portion  
13          of the plan’s assets attributable to the  
14          employees of the employer (or bene-  
15          ficiaries of such employees);

16          “(iv) provide that employers in the  
17          plan, and participants and beneficiaries,  
18          are not subject to unreasonable restrictions,  
19          fees, or penalties with regard to ceasing  
20          participation, receipt of distributions, or  
21          otherwise transferring assets of the plan in  
22          accordance with section 208 or paragraph  
23          (44)(C)(i)(II);

24          “(v) require—

1           “(I) the pooled plan provider to  
2           provide to employers in the plan any  
3           disclosures or other information which  
4           the Secretary may require, including  
5           any disclosures or other information to  
6           facilitate the selection or any moni-  
7           toring of the pooled plan provider by  
8           employers in the plan; and

9           “(II) each employer in the plan to  
10          take such actions as the Secretary or  
11          the pooled plan provider determines  
12          are necessary to administer the plan or  
13          for the plan to meet any requirement  
14          applicable under this Act or the Inter-  
15          nal Revenue Code of 1986 to a plan de-  
16          scribed in section 401(a) of such Code  
17          or to a plan that consists of individual  
18          retirement accounts described in sec-  
19          tion 408 of such Code (including by  
20          reason of subsection (c) thereof), which-  
21          ever is applicable, including providing  
22          any disclosures or other information  
23          which the Secretary may require or  
24          which the pooled plan provider other-  
25          wise determines are necessary to ad-

1                   *minister the plan or to allow the plan*  
2                   *to meet such requirements; and*

3                   “(vi) *provide that any disclosure or*  
4                   *other information required to be provided*  
5                   *under clause (v) may be provided in elec-*  
6                   *tronic form and will be designed to ensure*  
7                   *only reasonable costs are imposed on pooled*  
8                   *plan providers and employers in the plan.*

9                   “(C) *EXCEPTIONS.—The term ‘pooled em-*  
10                  *ployer plan’ does not include—*

11                  “(i) *a multiemployer plan; or*

12                  “(ii) *a plan established before the date*  
13                  *of the enactment of the Retirement, Savings,*  
14                  *and Other Tax Relief Act of 2018 unless the*  
15                  *plan administrator elects that the plan will*  
16                  *be treated as a pooled employer plan and*  
17                  *the plan meets the requirements of this title*  
18                  *applicable to a pooled employer plan estab-*  
19                  *lished on or after such date.*

20                  “(D) *TREATMENT OF EMPLOYERS AS PLAN*  
21                  *SPONSORS.—Except with respect to the adminis-*  
22                  *trative duties of the pooled plan provider de-*  
23                  *scribed in paragraph (44)(A)(i), each employer*  
24                  *in a pooled employer plan shall be treated as the*  
25                  *plan sponsor with respect to the portion of the*

1           *plan attributable to employees of such employer*  
2           *(or beneficiaries of such employees).*

3           “(44) *POOLED PLAN PROVIDER.*—

4                   “(A) *IN GENERAL.*—*The term ‘pooled plan*  
5                   *provider’ means a person who—*

6                           “(i) *is designated by the terms of a*  
7                           *pooled employer plan as a named fiduciary,*  
8                           *as the plan administrator, and as the per-*  
9                           *son responsible for the performance of all*  
10                           *administrative duties (including conducting*  
11                           *proper testing with respect to the plan and*  
12                           *the employees of each employer in the plan)*  
13                           *which are reasonably necessary to ensure*  
14                           *that—*

15                                   “(I) *the plan meets any require-*  
16                                   *ment applicable under this Act or the*  
17                                   *Internal Revenue Code of 1986 to a*  
18                                   *plan described in section 401(a) of*  
19                                   *such Code or to a plan that consists of*  
20                                   *individual retirement accounts de-*  
21                                   *scribed in section 408 of such Code (in-*  
22                                   *cluding by reason of subsection (c)*  
23                                   *thereof), whichever is applicable; and*

24                                   “(II) *each employer in the plan*  
25                                   *takes such actions as the Secretary or*

1           *pooled plan provider determines are*  
2           *necessary for the plan to meet the re-*  
3           *quirements described in subclause (I),*  
4           *including providing the disclosures and*  
5           *information described in paragraph*  
6           *(43)(B)(v)(II);*

7           *“(ii) registers as a pooled plan pro-*  
8           *vider with the Secretary, and provides to*  
9           *the Secretary such other information as the*  
10          *Secretary may require, before beginning op-*  
11          *erations as a pooled plan provider;*

12          *“(iii) acknowledges in writing that*  
13          *such person is a named fiduciary, and the*  
14          *plan administrator, with respect to the*  
15          *pooled employer plan; and*

16          *“(iv) is responsible for ensuring that*  
17          *all persons who handle assets of, or who are*  
18          *fiduciaries of, the pooled employer plan are*  
19          *bonded in accordance with section 412.*

20          *“(B) AUDITS, EXAMINATIONS AND INVES-*  
21          *TIGATIONS.—The Secretary may perform audits,*  
22          *examinations, and investigations of pooled plan*  
23          *providers as may be necessary to enforce and*  
24          *carry out the purposes of this paragraph and*  
25          *paragraph (43).*

1           “(C) *GUIDANCE.*—*The Secretary shall issue*  
2           *such guidance as the Secretary determines ap-*  
3           *propriate to carry out this paragraph and para-*  
4           *graph (43), including guidance—*

5                     “(i) *to identify the administrative du-*  
6                     *ties and other actions required to be per-*  
7                     *formed by a pooled plan provider under ei-*  
8                     *ther such paragraph; and*

9                     “(ii) *which requires in appropriate*  
10                    *cases that if an employer in the plan fails*  
11                    *to take the actions required under subpara-*  
12                    *graph (A)(i)(II)—*

13                    “(I) *the assets of the plan attrib-*  
14                    *utable to employees of such employer*  
15                    *(or beneficiaries of such employees) are*  
16                    *transferred to a plan maintained only*  
17                    *by such employer (or its successor), to*  
18                    *an eligible retirement plan as defined*  
19                    *in section 402(c)(8)(B) of the Internal*  
20                    *Revenue Code of 1986 for each indi-*  
21                    *vidual whose account is transferred, or*  
22                    *to any other arrangement that the Sec-*  
23                    *retary determines is appropriate in*  
24                    *such guidance; and*

1                   “(II) such employer (and not the  
2                   plan with respect to which the failure  
3                   occurred or any other employer in such  
4                   plan) shall, except to the extent pro-  
5                   vided in such guidance, be liable for  
6                   any liabilities with respect to such  
7                   plan attributable to employees of such  
8                   employer (or beneficiaries of such em-  
9                   ployees).

10                   *The Secretary shall take into account under*  
11                   *clause (ii) whether the failure of an employer or*  
12                   *pooled plan provider to provide any disclosures*  
13                   *or other information, or to take any other action,*  
14                   *necessary to administer a plan or to allow a*  
15                   *plan to meet requirements described in subpara-*  
16                   *graph (A)(i)(II) has continued over a period of*  
17                   *time that demonstrates a lack of commitment to*  
18                   *compliance. The Secretary may waive the re-*  
19                   *quirements of subclause (ii)(I) in appropriate*  
20                   *circumstances if the Secretary determines it is in*  
21                   *the best interests of the employees of the employer*  
22                   *referred to in such clause (and the beneficiaries*  
23                   *of such employees) to retain the assets in the*  
24                   *plan with respect to which the employer’s failure*  
25                   *occurred.*



1           “(D) *AGGREGATION RULES.*—For purposes  
2           of this paragraph, in determining whether a per-  
3           son meets the requirements of this paragraph to  
4           be a pooled plan provider with respect to any  
5           plan, all persons who perform services for the  
6           plan and who are treated as a single employer  
7           under subsection (b), (c), (m), or (o) of section  
8           414 of the Internal Revenue Code of 1986 shall  
9           be treated as one person.”.

10           (2) *BONDING REQUIREMENTS FOR POOLED EM-*  
11           *PLOYER PLANS.*—The last sentence of section 412(a)  
12           of the Employee Retirement Income Security Act of  
13           1974 (29 U.S.C. 1112(a)) is amended by inserting  
14           “or in the case of a pooled employer plan (as defined  
15           in section 3(43))” after “section 407(d)(1)”.

16           (3) *CONFORMING AND TECHNICAL AMEND-*  
17           *MENTS.*—Section 3 of the Employee Retirement In-  
18           come Security Act of 1974 (29 U.S.C. 1002) is  
19           amended—

20                   (A) in paragraph (16)(B)—

21                           (i) by striking “or” at the end of clause

22                           (ii); and

23                           (ii) by striking the period at the end  
24                           and inserting “, or (iv) in the case of a

1                   *pooled employer plan, the pooled plan pro-*  
 2                   *vider.”; and*

3                   *(B) by striking the second paragraph (41).*

4           *(d) POOLED EMPLOYER AND MULTIPLE EMPLOYER*  
 5 *PLAN REPORTING.—*

6                   *(1) ADDITIONAL INFORMATION.—Section 103 of*  
 7 *the Employee Retirement Income Security Act of*  
 8 *1974 (29 U.S.C. 1023) is amended—*

9                   *(A) in subsection (a)(1)(B), by striking*  
 10                   *“applicable subsections (d), (e), and (f)” and in-*  
 11                   *serting “applicable subsections (d), (e), (f), and*  
 12                   *(g)”;* and

13                   *(B) by amending subsection (g) to read as*  
 14                   *follows:*

15           *“(g) ADDITIONAL INFORMATION WITH RESPECT TO*  
 16 *POOLED EMPLOYER AND MULTIPLE EMPLOYER PLANS.—*  
 17 *An annual report under this section for a plan year shall*  
 18 *include—*

19                   *“(1) with respect to any plan to which section*  
 20                   *210(a) applies (including a pooled employer plan), a*  
 21                   *list of employers in the plan, a good faith estimate of*  
 22                   *the percentage of total contributions made by such*  
 23                   *employers during the plan year, and the aggregate ac-*  
 24                   *count balances attributable to each employer in the*  
 25                   *plan (determined as the sum of the account balances*

1       of the employees of such employer (and the bene-  
2       ficiaries of such employees)); and

3               “(2) with respect to a pooled employer plan, the  
4       identifying information for the person designated  
5       under the terms of the plan as the pooled plan pro-  
6       vider.”.

7               (2) *SIMPLIFIED ANNUAL REPORTS.*—Section  
8       104(a) of the *Employee Retirement Income Security*  
9       *Act of 1974 (29 U.S.C. 1024(a))* is amended by strik-  
10      ing paragraph (2)(A) and inserting the following:

11              “(2)(A) With respect to annual reports required  
12      to be filed with the Secretary under this part, the Sec-  
13      retary may by regulation prescribe simplified annual  
14      reports for any pension plan that—

15              “(i) covers fewer than 100 participants; or

16              “(ii) is a plan described in section 210(a)  
17      that covers fewer than 1,000 participants, but  
18      only if no single employer in the plan has 100  
19      or more participants covered by the plan.”.

20      (e) *EFFECTIVE DATE.*—

21              (1) *IN GENERAL.*—The amendments made by  
22      this section shall apply to plan years beginning after  
23      December 31, 2019.

24              (2) *RULE OF CONSTRUCTION.*—Nothing in the  
25      amendments made by subsection (a) shall be con-

1 *strued as limiting the authority of the Secretary of*  
 2 *the Treasury or the Secretary's delegate (determined*  
 3 *without regard to such amendments) to provide for*  
 4 *the proper treatment of a failure to meet any require-*  
 5 *ment applicable under the Internal Revenue Code of*  
 6 *1986 with respect to one employer (and its employees)*  
 7 *in a multiple employer plan.*

8 **SEC. 202. RULES RELATING TO ELECTION OF SAFE HARBOR**  
 9 **401(k) STATUS.**

10 *(a) LIMITATION OF ANNUAL SAFE HARBOR NOTICE TO*  
 11 *MATCHING CONTRIBUTION PLANS.—*

12 *(1) IN GENERAL.—Section 401(k)(12)(A) is*  
 13 *amended by striking “if such arrangement” and all*  
 14 *that follows and inserting “if such arrangement—*

15 *“(i) meets the contribution require-*  
 16 *ments of subparagraph (B) and the notice*  
 17 *requirements of subparagraph (D), or*

18 *“(ii) meets the contribution require-*  
 19 *ments of subparagraph (C).”.*

20 *(2) AUTOMATIC CONTRIBUTION ARRANGE-*  
 21 *MENTS.—Section 401(k)(13)(B) is amended by strik-*  
 22 *ing “means” and all that follows and inserting*  
 23 *“means a cash or deferred arrangement—*

24 *“(i) which is described in subpara-*  
 25 *graph (D)(i)(I) and meets the applicable re-*

1                    requirements of subparagraphs (C) through  
2                    (E), or

3                    “(ii) which is described in subpara-  
4                    graph (D)(i)(II) and meets the applicable  
5                    requirements of subparagraphs (C) and  
6                    (D).”.

7            (b)        NONELECTIVE        CONTRIBUTIONS.—Section  
8            401(k)(12) is amended by redesignating subparagraph (F)  
9            as subparagraph (G), and by inserting after subparagraph  
10           (E) the following new subparagraph:

11                    “(F) TIMING OF PLAN AMENDMENT FOR EM-  
12                    PLOYER        MAKING        NONELECTIVE        CONTRIBU-  
13                    TIONS.—

14                    “(i) IN GENERAL.—Except as provided  
15                    in clause (ii), a plan may be amended after  
16                    the beginning of a plan year to provide that  
17                    the requirements of subparagraph (C) shall  
18                    apply to the arrangement for the plan year,  
19                    but only if the amendment is adopted—

20                    “(I) at any time before the 30th  
21                    day before the close of the plan year, or

22                    “(II) at any time before the last  
23                    day under paragraph (8)(A) for dis-  
24                    tributing excess contributions for the  
25                    plan year.

1                   “(i) *EXCEPTION WHERE PLAN PRO-*  
2                   *VIDED FOR MATCHING CONTRIBUTIONS.—*  
3                   *Clause (i) shall not apply to any plan year*  
4                   *if the plan provided at any time during the*  
5                   *plan year that the requirements of subpara-*  
6                   *graph (B) or paragraph (13)(D)(i)(I) ap-*  
7                   *plied to the plan year.*

8                   “(iii) *4-PERCENT CONTRIBUTION RE-*  
9                   *QUIREMENT.—Clause (i)(II) shall not apply*  
10                  *to an arrangement unless the amount of the*  
11                  *contributions described in subparagraph (C)*  
12                  *which the employer is required to make*  
13                  *under the arrangement for the plan year*  
14                  *with respect to any employee is an amount*  
15                  *equal to at least 4 percent of the employee’s*  
16                  *compensation.”.*

17                  (c) *AUTOMATIC CONTRIBUTION ARRANGEMENTS.—*  
18                  *Section 401(k)(13) is amended by adding at the end the*  
19                  *following:*

20                               “(F) *TIMING OF PLAN AMENDMENT FOR EM-*  
21                               *PLOYER MAKING NONELECTIVE CONTRIBU-*  
22                               *TIONS.—*

23                               “(i) *IN GENERAL.—Except as provided*  
24                               *in clause (ii), a plan may be amended after*  
25                               *the beginning of a plan year to provide that*

1           the requirements of subparagraph (D)(i)(II)  
2           shall apply to the arrangement for the plan  
3           year, but only if the amendment is adopt-  
4           ed—

5                   “(I) at any time before the 30th  
6                   day before the close of the plan year, or

7                   “(II) at any time before the last  
8                   day under paragraph (8)(A) for dis-  
9                   tributing excess contributions for the  
10                  plan year.

11                  “(ii) *EXCEPTION WHERE PLAN PRO-*  
12                  *VIDED FOR MATCHING CONTRIBUTIONS.—*  
13                  *Clause (i) shall not apply to any plan year*  
14                  *if the plan provided at any time during the*  
15                  *plan year that the requirements of subpara-*  
16                  *graph (D)(i)(I) or paragraph (12)(B) ap-*  
17                  *plied to the plan year.*

18                  “(iii) *4-PERCENT CONTRIBUTION RE-*  
19                  *QUIREMENT.—Clause (i)(II) shall not apply*  
20                  *to an arrangement unless the amount of the*  
21                  *contributions described in subparagraph*  
22                  *(D)(i)(II) which the employer is required to*  
23                  *make under the arrangement for the plan*  
24                  *year with respect to any employee is an*

1                   amount equal to at least 4 percent of the  
2                   employee’s compensation.”.

3           (d) *EFFECTIVE DATE.*—The amendments made by this  
4 section shall apply to plan years beginning after December  
5 31, 2018.

6 **SEC. 203. CERTAIN TAXABLE NON-TUITION FELLOWSHIP**  
7                   **AND STIPEND PAYMENTS TREATED AS COM-**  
8                   **PENSATION FOR IRA PURPOSES.**

9           (a) *IN GENERAL.*—Section 219(f)(1) is amended by  
10 adding at the end the following: “The term ‘compensation’  
11 shall include any amount included in gross income and  
12 paid to an individual to aid the individual in the pursuit  
13 of graduate or postdoctoral study.”.

14           (b) *EFFECTIVE DATE.*—The amendment made by this  
15 section shall apply to taxable years beginning after Decem-  
16 ber 31, 2018.

17 **SEC. 204. REPEAL OF MAXIMUM AGE FOR TRADITIONAL IRA**  
18                   **CONTRIBUTIONS.**

19           (a) *IN GENERAL.*—Section 219(d) is amended by strik-  
20 ing paragraph (1).

21           (b) *CONFORMING AMENDMENT.*—Section 408A(c) is  
22 amended by striking paragraph (4) and by redesignating  
23 paragraphs (5), (6), and (7) as paragraphs (4), (5), and  
24 (6), respectively.



1           (c) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall apply to contributions made for taxable years*  
3 *beginning after December 31, 2018.*

4 **SEC. 205. QUALIFIED EMPLOYER PLANS PROHIBITED FROM**  
5 **MAKING LOANS THROUGH CREDIT CARDS**  
6 **AND OTHER SIMILAR ARRANGEMENTS.**

7           (a) *IN GENERAL.*—*Section 72(p)(2) is amended by re-*  
8 *designating subparagraph (D) as subparagraph (E) and by*  
9 *inserting after subparagraph (C) the following new sub-*  
10 *paragraph:*

11                           “(D) *PROHIBITION OF LOANS THROUGH*  
12 *CREDIT CARDS AND OTHER SIMILAR ARRANGE-*  
13 *MENTS.*—*Notwithstanding subparagraph (A),*  
14 *paragraph (1) shall apply to any loan which is*  
15 *made through the use of any credit card or any*  
16 *other similar arrangement.”.*

17           (b) *EFFECTIVE DATE.*—*The amendments made by sub-*  
18 *section (a) shall apply to loans made after the date of the*  
19 *enactment of this Act.*

20 **SEC. 206. PORTABILITY OF LIFETIME INCOME INVEST-**  
21 **MENTS.**

22           (a) *IN GENERAL.*—*Section 401(a) is amended by in-*  
23 *serting after paragraph (37) the following new paragraph:*

24                           “(38) *PORTABILITY OF LIFETIME INCOME IN-*  
25 *VESTMENTS.*—

1           “(A) *IN GENERAL.*—*Except as may be oth-*  
2           *erwise provided by regulations, a trust forming*  
3           *part of a defined contribution plan shall not be*  
4           *treated as failing to constitute a qualified trust*  
5           *under this section solely by reason of allowing—*

6                     “(i) *qualified distributions of a life-*  
7                     *time income investment, or*

8                     “(ii) *distributions of a lifetime income*  
9                     *investment in the form of a qualified plan*  
10                    *distribution annuity contract,*

11           *on or after the date that is 90 days prior to the*  
12           *date on which such lifetime income investment is*  
13           *no longer authorized to be held as an investment*  
14           *option under the plan.*

15           “(B) *DEFINITIONS.*—*For purposes of this*  
16           *subsection—*

17                     “(i) *the term ‘qualified distribution’*  
18                     *means a direct trustee-to-trustee transfer de-*  
19                     *scribed in paragraph (31)(A) to an eligible*  
20                     *retirement plan (as defined in section*  
21                     *402(c)(8)(B)),*

22                     “(ii) *the term ‘lifetime income invest-*  
23                     *ment’ means an investment option which is*  
24                     *designed to provide an employee with elec-*  
25                     *tion rights—*

1           “(I) which are not uniformly  
2 available with respect to other invest-  
3 ment options under the plan, and

4           “(II) which are to a lifetime in-  
5 come feature available through a con-  
6 tract or other arrangement offered  
7 under the plan (or under another eligi-  
8 ble retirement plan (as so defined), if  
9 paid by means of a direct trustee-to-  
10 trustee transfer described in paragraph  
11 (31)(A) to such other eligible retire-  
12 ment plan),

13           “(iii) the term ‘lifetime income feature’  
14 means—

15           “(I) a feature which guarantees a  
16 minimum level of income annually (or  
17 more frequently) for at least the re-  
18 mainder of the life of the employee or  
19 the joint lives of the employee and the  
20 employee’s designated beneficiary, or

21           “(II) an annuity payable on be-  
22 half of the employee under which pay-  
23 ments are made in substantially equal  
24 periodic payments (not less frequently  
25 than annually) over the life of the em-

1            *ployee or the joint lives of the employee*  
2            *and the employee’s designated bene-*  
3            *ficiary, and*

4            *“(iv) the term ‘qualified plan distribu-*  
5            *tion annuity contract’ means an annuity*  
6            *contract purchased for a participant and*  
7            *distributed to the participant by a plan or*  
8            *contract described in subparagraph (B) of*  
9            *section 402(c)(8) (without regard to clauses*  
10           *(i) and (ii) thereof).”.*

11        *(b) CASH OR DEFERRED ARRANGEMENT.—*

12            *(1) IN GENERAL.—Section 401(k)(2)(B)(i) is*  
13            *amended by striking “or” at the end of subclause*  
14            *(IV), by striking “and” at the end of subclause (V)*  
15            *and inserting “or”, and by adding at the end the fol-*  
16            *lowing new subclause:*

17            *“(VI) except as may be otherwise*  
18            *provided by regulations, with respect to*  
19            *amounts invested in a lifetime income*  
20            *investment (as defined in subsection*  
21            *(a)(38)(B)(ii)), the date that is 90*  
22            *days prior to the date that such life-*  
23            *time income investment may no longer*  
24            *be held as an investment option under*  
25            *the arrangement, and”.*

1           (2) *DISTRIBUTION REQUIREMENT.*—Section  
2           401(k)(2)(B), as amended by paragraph (1), is  
3           amended by striking “and” at the end of clause (i),  
4           by striking the semicolon at the end of clause (ii) and  
5           inserting “, and”, and by adding at the end the fol-  
6           lowing new clause:

7                     “(iii) except as may be otherwise pro-  
8                     vided by regulations, in the case of amounts  
9                     described in clause (i)(VI), will be distrib-  
10                    uted only in the form of a qualified dis-  
11                    tribution (as defined in subsection  
12                    (a)(38)(B)(i)) or a qualified plan distribu-  
13                    tion annuity contract (as defined in sub-  
14                    section (a)(38)(B)(iv)),”.

15           (c) *SECTION 403(b) PLANS.*—

16           (1) *ANNUITY CONTRACTS.*—Section 403(b)(11) is  
17           amended by striking “or” at the end of subparagraph  
18           (B), by striking the period at the end of subparagraph  
19           (C) and inserting “, or”, and by inserting after sub-  
20           paragraph (C) the following new subparagraph:

21                     “(D) except as may be otherwise provided  
22                     by regulations, with respect to amounts invested  
23                     in a lifetime income investment (as defined in  
24                     section 401(a)(38)(B)(ii))—

1           “(i) on or after the date that is 90  
2           days prior to the date that such lifetime in-  
3           come investment may no longer be held as  
4           an investment option under the contract,  
5           and

6           “(ii) in the form of a qualified dis-  
7           tribution (as defined in section  
8           401(a)(38)(B)(i)) or a qualified plan dis-  
9           tribution annuity contract (as defined in  
10          section 401(a)(38)(B)(iv)).”.

11           (2)           CUSTODIAL           ACCOUNTS.—Section  
12          403(b)(7)(A) is amended by striking “if—” and all  
13          that follows and inserting “if the amounts are to be  
14          invested in regulated investment company stock to be  
15          held in that custodial account, and under the custo-  
16          dial account—

17                   “(i) no such amounts may be paid or  
18                   made available to any distributee (unless  
19                   such amount is a distribution to which sec-  
20                   tion 72(t)(2)(G) applies) before—

21                           “(I) the employee dies,

22                           “(II) the employee attains age  
23                           59½,

24                           “(III) the employee has a sever-  
25                           ance from employment,

1           “(IV) the employee becomes dis-  
2           abled (within the meaning of section  
3           72(m)(7)),

4           “(V) in the case of contributions  
5           made pursuant to a salary reduction  
6           agreement (within the meaning of sec-  
7           tion 3121(a)(5)(D)), the employee en-  
8           counters financial hardship, or

9           “(VI) except as may be otherwise  
10          provided by regulations, with respect to  
11          amounts invested in a lifetime income  
12          investment (as defined in section  
13          401(a)(38)(B)(ii)), the date that is 90  
14          days prior to the date that such life-  
15          time income investment may no longer  
16          be held as an investment option under  
17          the contract, and

18          “(ii) in the case of amounts described  
19          in clause (i)(VI), such amounts will be dis-  
20          tributed only in the form of a qualified dis-  
21          tribution (as defined in section  
22          401(a)(38)(B)(i)) or a qualified plan dis-  
23          tribution annuity contract (as defined in  
24          section 401(a)(38)(B)(iv)).”.

25          (d) *ELIGIBLE DEFERRED COMPENSATION PLANS.*—

1           (1) *IN GENERAL.*—Section 457(d)(1)(A) is  
2           amended by striking “or” at the end of clause (ii), by  
3           inserting “or” at the end of clause (iii), and by add-  
4           ing after clause (iii) the following:

5                     “(iv) except as may be otherwise pro-  
6                     vided by regulations, in the case of a plan  
7                     maintained by an employer described in  
8                     subsection (e)(1)(A), with respect to  
9                     amounts invested in a lifetime income in-  
10                    vestment (as defined in section  
11                    401(a)(38)(B)(ii)), the date that is 90 days  
12                    prior to the date that such lifetime income  
13                    investment may no longer be held as an in-  
14                    vestment option under the plan,”.

15           (2) *DISTRIBUTION REQUIREMENT.*—Section  
16           457(d)(1) is amended by striking “and” at the end of  
17           subparagraph (B), by striking the period at the end  
18           of subparagraph (C) and inserting “, and”, and by  
19           inserting after subparagraph (C) the following new  
20           subparagraph:

21                    “(D) except as may be otherwise provided  
22                    by regulations, in the case of amounts described  
23                    in subparagraph (A)(iv), such amounts will be  
24                    distributed only in the form of a qualified dis-  
25                    tribution (as defined in section 401(a)(38)(B)(i))



1           or a qualified plan distribution annuity contract  
2           (as defined in section 401(a)(38)(B)(iv)).”.

3           (e) *EFFECTIVE DATE.*—The amendments made by this  
4 section shall apply to plan years beginning after December  
5 31, 2018.

6 **SEC. 207. TREATMENT OF CUSTODIAL ACCOUNTS ON TER-**  
7 **MINATION OF SECTION 403(b) PLANS.**

8           Not later than six months after the date of enactment  
9 of this Act, the Secretary of the Treasury shall issue guid-  
10 ance to provide that, if an employer terminates the plan  
11 under which amounts are contributed to a custodial account  
12 under subparagraph (A) of section 403(b)(7), the plan ad-  
13 ministrator or custodian may distribute an individual cus-  
14 todial account in kind to a participant or beneficiary of  
15 the plan and the distributed custodial account shall be  
16 maintained by the custodian on a tax-deferred basis as a  
17 section 403(b)(7) custodial account, similar to the treatment  
18 of fully-paid individual annuity contracts under Revenue  
19 Ruling 2011–7, until amounts are actually paid to the par-  
20 ticipant or beneficiary. The guidance shall provide further  
21 (i) that the section 403(b)(7) status of the distributed custo-  
22 dial account is generally maintained if the custodial ac-  
23 count thereafter adheres to the requirements of section  
24 403(b) that are in effect at the time of the distribution of  
25 the account and (ii) that a custodial account would not be

1 *considered distributed to the participant or beneficiary if*  
2 *the employer has any material retained rights under the*  
3 *account (but the employer would not be treated as retaining*  
4 *material rights simply because the custodial account was*  
5 *originally opened under a group contract).*

6 **SEC. 208. CLARIFICATION OF RETIREMENT INCOME AC-**  
7 **COUNT RULES RELATING TO CHURCH-CON-**  
8 **TROLLED ORGANIZATIONS.**

9 (a) *IN GENERAL.*—Section 403(b)(9)(B) is amended  
10 by inserting “(including an employee described in section  
11 414(e)(3)(B))” after “employee described in paragraph  
12 (1)”.

13 (b) *EFFECTIVE DATE.*—The amendment made by this  
14 section shall apply to years beginning before, on, or after  
15 the date of the enactment of this Act.

16 **SEC. 209. INCREASE IN 10 PERCENT CAP FOR AUTOMATIC**  
17 **ENROLLMENT SAFE HARBOR AFTER 1ST PLAN**  
18 **YEAR.**

19 (a) *IN GENERAL.*—Section 401(k)(13)(C)(iii) is  
20 amended by striking “does not exceed 10 percent” and in-  
21 serting “does not exceed 15 percent (10 percent during the  
22 period described in subclause (I))”.

23 (b) *EFFECTIVE DATE.*—The amendments made by this  
24 section shall apply to plan years beginning after December  
25 31, 2018.

1 **SEC. 210. INCREASE IN CREDIT LIMITATION FOR SMALL EM-**  
 2 **PLOYER PENSION PLAN STARTUP COSTS.**

3 (a) *IN GENERAL.*—Paragraph (1) of section 45E(b) is  
 4 amended to read as follows:

5 “(1) for the first credit year and each of the 2  
 6 taxable years immediately following the first credit  
 7 year, the greater of—

8 “(A) \$500, or

9 “(B) the lesser of—

10 “(i) \$250 for each employee of the eli-  
 11 gible employer who is not a highly com-  
 12 pensated employee (as defined in section  
 13 414(q)) and who is eligible to participate in  
 14 the eligible employer plan maintained by  
 15 the eligible employer, or

16 “(ii) \$1,500, and”.

17 (b) *EFFECTIVE DATE.*—The amendment made by this  
 18 section shall apply to taxable years beginning after Decem-  
 19 ber 31, 2018.

20 **SEC. 211. SMALL EMPLOYER AUTOMATIC ENROLLMENT**  
 21 **CREDIT.**

22 (a) *IN GENERAL.*—Section 45E is amended by adding  
 23 at the end the following new subsection:”.

24 “(f) *CREDIT FOR AUTO-ENROLLMENT OPTION FOR RE-*  
 25 *TIREMENT SAVINGS OPTIONS.*—

1           “(1) *IN GENERAL.*—*The credit allowed under*  
2           *subsection (a) for any taxable year during an eligible*  
3           *employer’s retirement auto-enrollment credit period*  
4           *shall be increased (without regard to subsection (b))*  
5           *by \$500.*

6           “(2) *RETIREMENT AUTO-ENROLLMENT CREDIT*  
7           *PERIOD.*—

8           “(A) *IN GENERAL.*—*The retirement auto-en-*  
9           *rollment credit period with respect to any eligi-*  
10           *ble employer is the 3-taxable-year period begin-*  
11           *ning with the first taxable year for which the*  
12           *employer includes an eligible automatic con-*  
13           *tribution arrangement (as defined in section*  
14           *414(w)(3)) in a qualified employer plan (as de-*  
15           *fined in section 4972(d)) sponsored by the em-*  
16           *ployer.*

17           “(B) *MAINTENANCE OF ARRANGEMENT.*—*No*  
18           *taxable year with respect to an employer shall be*  
19           *treated as occurring within the retirement auto-*  
20           *enrollment credit period unless the arrangement*  
21           *described in subparagraph (A) is included in the*  
22           *plan for such year.*

23           “(3) *NOT LIMITED TO NEW PLANS.*—*This sub-*  
24           *section shall be applied without regard to subsection*  
25           *(c)(2).”.*

1           (b) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall apply to taxable years beginning after Decem-*  
3 *ber 31, 2018.*

4 **SEC. 212. EXEMPTION FROM REQUIRED MINIMUM DIS-**  
5 **TRIBUTION RULES FOR INDIVIDUALS WITH**  
6 **CERTAIN ACCOUNT BALANCES.**

7           (a) *IN GENERAL.*—*Section 401(a)(9) is amended by*  
8 *adding at the end the following new subparagraph:*

9                           “(H) *EXCEPTION FROM REQUIRED MINIMUM*  
10 *DISTRIBUTIONS DURING LIFE OF EMPLOYEE*  
11 *WHERE ASSETS DO NOT EXCEED \$50,000.*—

12                                   “(i) *IN GENERAL.*—*If on the last day*  
13 *of any calendar year the aggregate value of*  
14 *an employee’s entire interest under all ap-*  
15 *plicable eligible retirement plans does not*  
16 *exceed \$50,000, then the requirements of*  
17 *subparagraph (A) with respect to any dis-*  
18 *tribution relating to such year shall not*  
19 *apply with respect to such employee.*

20   “(ii) *APPLICABLE ELIGIBLE RETIRE-*  
21 *MENT PLAN.*—*For purposes of this subpara-*  
22 *graph, the term ‘applicable eligible retire-*  
23 *ment plan’ means an eligible retirement*  
24 *plan (as defined in section 402(c)(8)(B))*  
25 *other than a defined benefit plan.*

1                   “(iii) *LIMIT ON REQUIRED MINIMUM*  
2                   *DISTRIBUTION.*—*The required minimum*  
3                   *distribution determined under subpara-*  
4                   *graph (A) for an employee under all appli-*  
5                   *cable eligible retirement plans shall not ex-*  
6                   *ceed an amount equal to the excess of—*

7                   “(I) *the aggregate value of an em-*  
8                   *ployee’s entire interest under such*  
9                   *plans on the last day of the calendar*  
10                  *year to which such distribution relates,*  
11                  *over*

12                  “(II) *the dollar amount in effect*  
13                  *under clause (i) for such calendar year.*  
14                  *The Secretary in regulations or other guid-*  
15                  *ance may provide how such amount shall be*  
16                  *distributed in the case of an individual*  
17                  *with more than one applicable eligible re-*  
18                  *tirement plan.*

19                  “(iv) *INFLATION ADJUSTMENT.*—*In the*  
20                  *case of any calendar year beginning after*  
21                  *2019, the \$50,000 amount in clause (i) shall*  
22                  *be increased by an amount equal to—*

23                  “(I) *such dollar amount, multi-*  
24                  *plied by*

1                   “(II) the cost of living adjustment  
2                   determined under section 1(f)(3) for  
3                   the calendar year, determined by sub-  
4                   stituting ‘calendar year 2018’ for ‘cal-  
5                   endar year 2016’ in subparagraph  
6                   (A)(ii) thereof.

7                   Any increase determined under this clause  
8                   shall be rounded to the next lowest multiple  
9                   of \$5,000.

10                   “(v) *PLAN ADMINISTRATOR RELIANCE*  
11                   *ON EMPLOYEE CERTIFICATION.*—An appli-  
12                   cable eligible retirement plan described in  
13                   clause (iii), (iv), (v), or (vi) of section  
14                   402(c)(8)(B) shall not be treated as failing  
15                   to meet the requirements of this paragraph  
16                   in the case of any failure to make a re-  
17                   quired minimum distribution for a cal-  
18                   endar year if—

19                   “(I) the aggregate value of an em-  
20                   ployee’s entire interest under all appli-  
21                   cable eligible retirement plans of the  
22                   employer on the last day of the cal-  
23                   endar year to which such distribution  
24                   relates does not exceed the dollar

1                   *amount in effect for such year under*  
2                   *clause (i), and*

3                   “*(II) the employee certifies that*  
4                   *the aggregate value of the employee’s*  
5                   *entire interest under all applicable eli-*  
6                   *gible retirement plans on the last day*  
7                   *of the calendar year to which such dis-*  
8                   *tribution relates did not exceed the dol-*  
9                   *lar amount in effect for such year*  
10                  *under clause (i).*”

11                  “*(vi) AGGREGATION RULE.—All em-*  
12                  *ployers treated as a single employer under*  
13                  *subsection (b), (c), (m), or (o) of section 414*  
14                  *shall be treated as a single employer for*  
15                  *purposes of clause (v).*”

16                  ***(b) PLAN ADMINISTRATOR REPORTING.—Section 6047***  
17                  *is amended by redesignating subsection (h) as subsection*  
18                  *(i) and by inserting after subsection (g) the following new*  
19                  *subsection:*

20                  “*(h) ACCOUNT BALANCE FOR PARTICIPANTS WHO*  
21                  *HAVE ATTAINED AGE 69.—*

22                  “*(1) IN GENERAL.—Not later than January 31*  
23                  *of each year, the plan administrator (as defined in*  
24                  *section 414(g)) of each applicable eligible retirement*  
25                  *plan (as defined in section 401(a)(9)(H)) shall make*



1        *a return to the Secretary with respect to each partici-*  
2        *part of such plan who has attained age 69 as of the*  
3        *end of the preceding calendar year which states—*

4                *“(A) the name and plan number of the*  
5                *plan,*

6                *“(B) the name and address of the plan ad-*  
7                *ministrator,*

8                *“(C) the name, address, and taxpayer iden-*  
9                *tification number of the participant, and*

10               *“(D) the account balance of such partici-*  
11               *part as of the end of the preceding calendar*  
12               *year.*

13               *“(2) STATEMENT FURNISHED TO PARTICIPANT.—*  
14        *Every person required to make a return under para-*  
15        *graph (1) with respect to a participant shall furnish*  
16        *a copy of such return to such participant.*

17               *“(3) APPLICATION TO INDIVIDUAL RETIREMENT*  
18        *PLANS AND ANNUITIES.—In the case of an applicable*  
19        *eligible retirement plan described in clause (i) or (ii)*  
20        *of section 402(c)(8)(B)—*

21               *“(A) any reference in this subsection to the*  
22               *plan administrator shall be treated as a ref-*  
23               *erence to the trustee or issuer, as the case may*  
24               *be, and*

1           “(B) any reference in this subsection to the  
2           participant shall be treated as a reference to the  
3           individual for whom such account or annuity is  
4           maintained.”.

5           (c) *EFFECTIVE DATE.*—The amendments made by this  
6           section shall apply to distributions required to be made in  
7           calendar years beginning more than 120 days after the date  
8           of the enactment of this Act.

9           **SEC. 213. ELECTIVE DEFERRALS BY MEMBERS OF THE**  
10                           **READY RESERVE OF A RESERVE COMPONENT**  
11                           **OF THE ARMED FORCES.**

12           (a) *IN GENERAL.*—Section 402(g) is amended by add-  
13           ing at the end the following new paragraph:

14                           “(9) *ELECTIVE DEFERRALS BY MEMBERS OF*  
15                           *READY RESERVE.*—

16   “(A) *IN GENERAL.*—In the case of a quali-  
17   fied ready reservist for any taxable year, the lim-  
18   itations of subparagraphs (A) and (C) of para-  
19   graph (1) shall be applied separately with re-  
20   spect to—

21   “(i) elective deferrals of such qualified  
22   ready reservist with respect to compensation  
23   described in subparagraph (B), and

24   “(ii) all other elective deferrals of such  
25   qualified ready reservist.

1           “(B) *QUALIFIED READY RESERVIST*.—For  
 2           purposes of this paragraph, the term ‘qualified  
 3           ready reservist’ means any individual for any  
 4           taxable year if such individual received com-  
 5           pensation for service as a member of the Ready  
 6           Reserve of a reserve component (as defined in  
 7           section 101 of title 37, United States Code) dur-  
 8           ing such taxable year.”.

9           (b) *EFFECTIVE DATE*.—The amendment made by this  
 10          section shall apply to plan years beginning after December  
 11          31, 2018.

## 12           ***Subtitle B—Administrative*** 13           ***Improvements***

### 14          ***SEC. 221. PLAN ADOPTED BY FILING DUE DATE FOR YEAR*** 15                                 ***MAY BE TREATED AS IN EFFECT AS OF CLOSE*** 16                                 ***OF YEAR.***

17          (a) *IN GENERAL*.—Section 401(b) is amended—

18                 (1) by striking “*RETROACTIVE CHANGES IN*  
 19                 *PLAN.—A stock bonus*” and inserting “*PLAN AMEND-*  
 20                 *MENTS.—*

21                 “(1) *CERTAIN RETROACTIVE CHANGES IN*  
 22                 *PLAN.—A stock bonus*”, and

23                 (2) by adding at the end the following new para-  
 24                 graph:

1           “(2) *ADOPTION OF PLAN.*—*If an employer adopts*  
2           *a stock bonus, pension, profit-sharing, or annuity*  
3           *plan after the close of a taxable year but before the*  
4           *time prescribed by law for filing the employer’s re-*  
5           *turn of tax for the taxable year (including extensions*  
6           *thereof), the employer may elect to treat the plan as*  
7           *having been adopted as of the last day of the taxable*  
8           *year.”.*

9           **(b) *EFFECTIVE DATE.***—*The amendments made by this*  
10          *section shall apply to plans adopted for taxable years begin-*  
11          *ning after December 31, 2018.*

12          **SEC. 222. MODIFICATION OF NONDISCRIMINATION RULES**  
13                               **TO PROTECT OLDER, LONGER SERVICE PAR-**  
14                               **TICIPANTS.**

15          **(a) *IN GENERAL.***—*Section 401 is amended—*

16                       **(1)** *by redesignating subsection (o) as subsection*  
17                       *(p), and*

18                       **(2)** *by inserting after subsection (n) the following*  
19                       *new subsection:*

20                       **“(o) *SPECIAL RULES FOR APPLYING NONDISCRIMINA-***  
21                       ***TION RULES TO PROTECT OLDER, LONGER SERVICE AND***  
22                       ***GRANDFATHERED PARTICIPANTS.***—

23                               **“(1) *TESTING OF DEFINED BENEFIT PLANS WITH***  
24                               ***CLOSED CLASSES OF PARTICIPANTS.***—

1           “(A) *BENEFITS, RIGHTS, OR FEATURES*  
2           *PROVIDED TO CLOSED CLASSES.—A defined ben-*  
3           *efit plan which provides benefits, rights, or fea-*  
4           *tures to a closed class of participants shall not*  
5           *fail to satisfy the requirements of subsection*  
6           *(a)(4) by reason of the composition of such closed*  
7           *class or the benefits, rights, or features provided*  
8           *to such closed class, if—*

9                   “(i) *for the plan year as of which the*  
10                  *class closes and the 2 succeeding plan years,*  
11                  *such benefits, rights, and features satisfy the*  
12                  *requirements of subsection (a)(4) (without*  
13                  *regard to this subparagraph but taking into*  
14                  *account the rules of subparagraph (I)),*

15                   “(ii) *after the date as of which the*  
16                  *class was closed, any plan amendment*  
17                  *which modifies the closed class or the bene-*  
18                  *fits, rights, and features provided to such*  
19                  *closed class does not discriminate signifi-*  
20                  *cantly in favor of highly compensated em-*  
21                  *ployees, and*

22                   “(iii) *the class was closed before April*  
23                  *5, 2017, or the plan is described in sub-*  
24                  *paragraph (C).*

1           “(B) *AGGREGATE TESTING WITH DEFINED*  
2           *CONTRIBUTION PLANS PERMITTED ON A BENE-*  
3           *FITS BASIS.—*

4                   “(i) *IN GENERAL.—For purposes of de-*  
5                   *termining compliance with subsection (a)(4)*  
6                   *and section 410(b), a defined benefit plan*  
7                   *described in clause (iii) may be aggregated*  
8                   *and tested on a benefits basis with 1 or*  
9                   *more defined contribution plans, including*  
10                   *with the portion of 1 or more defined con-*  
11                   *tribution plans which—*

12                           “(I) *provides matching contribu-*  
13                           *tions (as defined in subsection*  
14                           *(m)(4)(A)),*

15                           “(II) *provides annuity contracts*  
16                           *described in section 403(b) which are*  
17                           *purchased with matching contributions*  
18                           *or nonelective contributions, or*

19                           “(III) *consists of an employee*  
20                           *stock ownership plan (within the*  
21                           *meaning of section 4975(e)(7)) or a tax*  
22                           *credit employee stock ownership plan*  
23                           *(within the meaning of section 409(a)).*

24                           “(ii) *SPECIAL RULES FOR MATCHING*  
25                           *CONTRIBUTIONS.—For purposes of clause*

1           *(i), if a defined benefit plan is aggregated*  
2           *with a portion of a defined contribution*  
3           *plan providing matching contributions—*

4                     *“(I) such defined benefit plan*  
5                     *must also be aggregated with any por-*  
6                     *tion of such defined contribution plan*  
7                     *which provides elective deferrals de-*  
8                     *scribed in subparagraph (A) or (C) of*  
9                     *section 402(g)(3), and*

10                    *“(II) such matching contributions*  
11                    *shall be treated in the same manner as*  
12                    *nonelective contributions, including for*  
13                    *purposes of applying the rules of sub-*  
14                    *section (l).*

15                    *“(iii) PLANS DESCRIBED.—A defined*  
16                    *benefit plan is described in this clause if—*

17                             *“(I) the plan provides benefits to*  
18                             *a closed class of participants,*

19                             *“(II) for the plan year as of which*  
20                             *the class closes and the 2 succeeding*  
21                             *plan years, the plan satisfies the re-*  
22                             *quirements of section 410(b) and sub-*  
23                             *section (a)(4) (without regard to this*  
24                             *subparagraph but taking into account*  
25                             *the rules of subparagraph (I)),*

1           “(III) after the date as of which  
2           the class was closed, any plan amend-  
3           ment which modifies the closed class or  
4           the benefits provided to such closed  
5           class does not discriminate signifi-  
6           cantly in favor of highly compensated  
7           employees, and

8           “(IV) the class was closed before  
9           April 5, 2017, or the plan is described  
10          in subparagraph (C).

11          “(C) *PLANS DESCRIBED.*—A plan is de-  
12          scribed in this subparagraph if, taking into ac-  
13          count any predecessor plan—

14               “(i) such plan has been in effect for at  
15               least 5 years as of the date the class is  
16               closed, and

17               “(ii) during the 5-year period pre-  
18               ceding the date the class is closed, there has  
19               not been a substantial increase in the cov-  
20               erage or value of the benefits, rights, or fea-  
21               tures described in subparagraph (A) or in  
22               the coverage or benefits under the plan de-  
23               scribed in subparagraph (B)(iii) (whichever  
24               is applicable).



1           “(D) *DETERMINATION OF SUBSTANTIAL IN-*  
2           *CREASE FOR BENEFITS, RIGHTS, AND FEA-*  
3           *TURES.—In applying subparagraph (C)(ii) for*  
4           *purposes of subparagraph (A)(iii), a plan shall*  
5           *be treated as having had a substantial increase*  
6           *in coverage or value of the benefits, rights, or fea-*  
7           *tures described in subparagraph (A) during the*  
8           *applicable 5-year period only if, during such pe-*  
9           *riod—*

10                   “(i) *the number of participants covered*  
11                   *by such benefits, rights, or features on the*  
12                   *date such period ends is more than 50 per-*  
13                   *cent greater than the number of such par-*  
14                   *ticipants on the first day of the plan year*  
15                   *in which such period began, or*

16                   “(ii) *such benefits, rights, and features*  
17                   *have been modified by 1 or more plan*  
18                   *amendments in such a way that, as of the*  
19                   *date the class is closed, the value of such*  
20                   *benefits, rights, and features to the closed*  
21                   *class as a whole is substantially greater*  
22                   *than the value as of the first day of such 5-*  
23                   *year period, solely as a result of such*  
24                   *amendments.*

1           “(E) DETERMINATION OF SUBSTANTIAL IN-  
2           CREASE FOR AGGREGATE TESTING ON BENEFITS  
3           BASIS.—In applying subparagraph (C)(ii) for  
4           purposes of subparagraph (B)(iii)(IV), a plan  
5           shall be treated as having had a substantial in-  
6           crease in coverage or benefits during the applica-  
7           ble 5-year period only if, during such period—

8                   “(i) the number of participants benefit-  
9                   ting under the plan on the date such period  
10                  ends is more than 50 percent greater than  
11                  the number of such participants on the first  
12                  day of the plan year in which such period  
13                  began, or

14                  “(ii) the average benefit provided to  
15                  such participants on the date such period  
16                  ends is more than 50 percent greater than  
17                  the average benefit provided on the first day  
18                  of the plan year in which such period  
19                  began.

20           “(F) CERTAIN EMPLOYEES DIS-  
21           REGARDED.—For purposes of subparagraphs (D)  
22           and (E), any increase in coverage or value or in  
23           coverage or benefits, whichever is applicable,  
24           which is attributable to such coverage and value  
25           or coverage and benefits provided to employees—

1           “(i) who became participants as a re-  
2           sult of a merger, acquisition, or similar  
3           event which occurred during the 7-year pe-  
4           riod preceding the date the class is closed, or

5           “(ii) who became participants by rea-  
6           son of a merger of the plan with another  
7           plan which had been in effect for at least 5  
8           years as of the date of the merger,

9           shall be disregarded, except that clause (ii) shall  
10          apply for purposes of subparagraph (D) only if,  
11          under the merger, the benefits, rights, or features  
12          under 1 plan are conformed to the benefits,  
13          rights, or features of the other plan prospectively.

14          “(G) RULES RELATING TO AVERAGE BEN-  
15          EFIT.—For purposes of subparagraph (E)—

16               “(i) the average benefit provided to  
17               participants under the plan will be treated  
18               as having remained the same between the 2  
19               dates described in subparagraph (E)(ii) if  
20               the benefit formula applicable to such par-  
21               ticipants has not changed between such  
22               dates, and

23               “(ii) if the benefit formula applicable  
24               to 1 or more participants under the plan  
25               has changed between such 2 dates, then the

1           *average benefit under the plan shall be con-*  
2           *sidered to have increased by more than 50*  
3           *percent only if—*

4                   “(I) *the total amount determined*  
5                   *under section 430(b)(1)(A)(i) for all*  
6                   *participants benefitting under the plan*  
7                   *for the plan year in which the 5-year*  
8                   *period described in subparagraph (E)*  
9                   *ends, exceeds*

10                   “(II) *the total amount determined*  
11                   *under section 430(b)(1)(A)(i) for all*  
12                   *such participants for such plan year,*  
13                   *by using the benefit formula in effect*  
14                   *for each such participant for the first*  
15                   *plan year in such 5-year period, by*  
16                   *more than 50 percent.*

17           *In the case of a CSEC plan (as defined in*  
18           *section 414(y)), the normal cost of the plan*  
19           *(as determined under section 433(j)(1)(B))*  
20           *shall be used in lieu of the amount deter-*  
21           *mined under section 430(b)(1)(A)(i).*

22                   “(H) *TREATMENT AS SINGLE PLAN.—For*  
23           *purposes of subparagraphs (E) and (G), a plan*  
24           *described in section 413(c) shall be treated as a*

1           *single plan rather than as separate plans main-*  
2           *tained by each employer in the plan.*

3           “(I) *SPECIAL RULES.—For purposes of sub-*  
4           *paragraphs (A)(i) and (B)(iii)(II), the following*  
5           *rules shall apply:*

6                     “(i) *In applying section 410(b)(6)(C),*  
7                     *the closing of the class of participants shall*  
8                     *not be treated as a significant change in*  
9                     *coverage under section 410(b)(6)(C)(i)(II).*

10                    “(ii) *2 or more plans shall not fail to*  
11                    *be eligible to be aggregated and treated as*  
12                    *a single plan solely by reason of having dif-*  
13                    *ferent plan years.*

14                    “(iii) *Changes in the employee popu-*  
15                    *lation shall be disregarded to the extent at-*  
16                    *tributable to individuals who become em-*  
17                    *ployees or cease to be employees, after the*  
18                    *date the class is closed, by reason of a merg-*  
19                    *er, acquisition, divestiture, or similar event.*

20                    “(iv) *Aggregation and all other testing*  
21                    *methodologies otherwise applicable under*  
22                    *subsection (a)(4) and section 410(b) may be*  
23                    *taken into account.*

24                    *The rule of clause (ii) shall also apply for pur-*  
25                    *poses of determining whether plans to which sub-*

1 paragraph (B)(i) applies may be aggregated and  
 2 treated as 1 plan for purposes of determining  
 3 whether such plans meet the requirements of sub-  
 4 section (a)(4) and section 410(b).

5 “(J) SPUN-OFF PLANS.—For purposes of  
 6 this paragraph, if a portion of a defined benefit  
 7 plan described in subparagraph (A) or (B)(iii)  
 8 is spun off to another employer and the spun-off  
 9 plan continues to satisfy the requirements of—

10 “(i) subparagraph (A)(i) or  
 11 (B)(iii)(II), whichever is applicable, if the  
 12 original plan was still within the 3-year pe-  
 13 riod described in such subparagraph at the  
 14 time of the spin off, and

15 “(ii) subparagraph (A)(ii) or  
 16 (B)(iii)(III), whichever is applicable,

17 the treatment under subparagraph (A) or (B) of  
 18 the spun-off plan shall continue with respect to  
 19 such other employer.

20 “(2) TESTING OF DEFINED CONTRIBUTION  
 21 PLANS.—

22 “(A) TESTING ON A BENEFITS BASIS.—A  
 23 defined contribution plan shall be permitted to  
 24 be tested on a benefits basis if—

1           “(i) such defined contribution plan  
2 provides make-whole contributions to a  
3 closed class of participants whose accruals  
4 under a defined benefit plan have been re-  
5 duced or eliminated,

6           “(ii) for the plan year of the defined  
7 contribution plan as of which the class eli-  
8 gible to receive such make-whole contribu-  
9 tions closes and the 2 succeeding plan years,  
10 such closed class of participants satisfies the  
11 requirements of section 410(b)(2)(A)(i) (de-  
12 termined by applying the rules of para-  
13 graph (1)(I)),

14           “(iii) after the date as of which the  
15 class was closed, any plan amendment to  
16 the defined contribution plan which modi-  
17 fies the closed class or the allocations, bene-  
18 fits, rights, and features provided to such  
19 closed class does not discriminate signifi-  
20 cantly in favor of highly compensated em-  
21 ployees, and

22           “(iv) the class was closed before April  
23 5, 2017, or the defined benefit plan under  
24 clause (i) is described in paragraph (1)(C)

1           *(as applied for purposes of paragraph*  
2           *(1)(B)(iii)(IV)).*

3           “(B) *AGGREGATION WITH PLANS INCLUDING*  
4           *MATCHING CONTRIBUTIONS.—*

5                   “(i) *IN GENERAL.—With respect to 1*  
6                   *or more defined contribution plans de-*  
7                   *scribed in subparagraph (A), for purposes of*  
8                   *determining compliance with subsection*  
9                   *(a)(4) and section 410(b), the portion of*  
10                   *such plans which provides make-whole con-*  
11                   *tributions or other nonelective contributions*  
12                   *may be aggregated and tested on a benefits*  
13                   *basis with the portion of 1 or more other de-*  
14                   *defined contribution plans which—*

15                           “(I) *provides matching contribu-*  
16                           *tions (as defined in subsection*  
17                           *(m)(4)(A)),*

18                           “(II) *provides annuity contracts*  
19                           *described in section 403(b) which are*  
20                           *purchased with matching contributions*  
21                           *or nonelective contributions, or*

22                           “(III) *consists of an employee*  
23                           *stock ownership plan (within the*  
24                           *meaning of section 4975(e)(7)) or a tax*



1                   *credit employee stock ownership plan*  
2                   *(within the meaning of section 409(a)).*

3                   “(i) *SPECIAL RULES FOR MATCHING*  
4                   *CONTRIBUTIONS.—Rules similar to the rules*  
5                   *of paragraph (1)(B)(i) shall apply for pur-*  
6                   *poses of clause (i).*

7                   “(C) *SPECIAL RULES FOR TESTING DE-*  
8                   *FINED CONTRIBUTION PLAN FEATURES PRO-*  
9                   *VIDING MATCHING CONTRIBUTIONS TO CERTAIN*  
10                   *OLDER, LONGER SERVICE PARTICIPANTS.—In the*  
11                   *case of a defined contribution plan which pro-*  
12                   *vides benefits, rights, or features to a closed class*  
13                   *of participants whose accruals under a defined*  
14                   *benefit plan have been reduced or eliminated, the*  
15                   *plan shall not fail to satisfy the requirements of*  
16                   *subsection (a)(4) solely by reason of the composi-*  
17                   *tion of the closed class or the benefits, rights, or*  
18                   *features provided to such closed class if the de-*  
19                   *defined contribution plan and defined benefit plan*  
20                   *otherwise meet the requirements of subparagraph*  
21                   *(A) but for the fact that the make-whole con-*  
22                   *tributions under the defined contribution plan*  
23                   *are made in whole or in part through matching*  
24                   *contributions.*

1           “(D) *SPUN-OFF PLANS.*—For purposes of  
2           this paragraph, if a portion of a defined con-  
3           tribution plan described in subparagraph (A) or  
4           (C) is spun off to another employer, the treat-  
5           ment under subparagraph (A) or (C) of the  
6           spun-off plan shall continue with respect to the  
7           other employer if such plan continues to comply  
8           with the requirements of clauses (ii) (if the origi-  
9           nal plan was still within the 3-year period de-  
10          scribed in such clause at the time of the spin off)  
11          and (iii) of subparagraph (A), as determined for  
12          purposes of subparagraph (A) or (C), whichever  
13          is applicable.

14          “(3) *DEFINITIONS.*—For purposes of this sub-  
15          section—

16               “(A) *MAKE-WHOLE CONTRIBUTIONS.*—Ex-  
17               cept as otherwise provided in paragraph (2)(C),  
18               the term ‘make-whole contributions’ means non-  
19               elective allocations for each employee in the class  
20               which are reasonably calculated, in a consistent  
21               manner, to replace some or all of the retirement  
22               benefits which the employee would have received  
23               under the defined benefit plan and any other  
24               plan or qualified cash or deferred arrangement  
25               under subsection (k)(2) if no change had been

1           *made to such defined benefit plan and such other*  
2           *plan or arrangement. For purposes of the pre-*  
3           *ceding sentence, consistency shall not be required*  
4           *with respect to employees who were subject to dif-*  
5           *ferent benefit formulas under the defined benefit*  
6           *plan.*

7           “(B) *REFERENCES TO CLOSED CLASS OF*  
8           *PARTICIPANTS.—References to a closed class of*  
9           *participants and similar references to a closed*  
10           *class shall include arrangements under which 1*  
11           *or more classes of participants are closed, except*  
12           *that 1 or more classes of participants closed on*  
13           *different dates shall not be aggregated for pur-*  
14           *poses of determining the date any such class was*  
15           *closed.*

16           “(C) *HIGHLY COMPENSATED EMPLOYEE.—*  
17           *The term ‘highly compensated employee’ has the*  
18           *meaning given such term in section 414(q).”.*

19           (b)     *PARTICIPATION REQUIREMENTS.—Section*  
20           *401(a)(26) is amended by adding at the end the following*  
21           *new subparagraph:*

22           “(I) *PROTECTED PARTICIPANTS.—*

23           “(i) *IN GENERAL.—A plan shall be*  
24           *deemed to satisfy the requirements of sub-*  
25           *paragraph (A) if—*

1                   “(I) *the plan is amended—*  
2                         “(aa) *to cease all benefit ac-*  
3                         *cruals, or*  
4                         “(bb) *to provide future ben-*  
5                         *efit accruals only to a closed class*  
6                         *of participants,*  
7                   “(II) *the plan satisfies subpara-*  
8                   *graph (A) (without regard to this sub-*  
9                   *paragraph) as of the effective date of*  
10                   *the amendment, and*  
11                   “(III) *the amendment was adopt-*  
12                   *ed before April 5, 2017, or the plan is*  
13                   *described in clause (ii).*  
14                   “(ii) *PLANS DESCRIBED.—A plan is*  
15                   *described in this clause if the plan would be*  
16                   *described in subsection (o)(1)(C), as applied*  
17                   *for purposes of subsection (o)(1)(B)(iii)(IV)*  
18                   *and by treating the effective date of the*  
19                   *amendment as the date the class was closed*  
20                   *for purposes of subsection (o)(1)(C).*  
21                   “(iii) *SPECIAL RULES.—For purposes*  
22                   *of clause (i)(II), in applying section*  
23                   *410(b)(6)(C), the amendments described in*  
24                   *clause (i) shall not be treated as a signifi-*

1           cant change in coverage under section  
2           410(b)(6)(C)(i)(II).

3           “(iv) *SPUN-OFF PLANS.*—For purposes  
4           of this subparagraph, if a portion of a plan  
5           described in clause (i) is spun off to another  
6           employer, the treatment under clause (i) of  
7           the spun-off plan shall continue with respect  
8           to the other employer.”.

9           (c) *EFFECTIVE DATE.*—

10           (1) *IN GENERAL.*—Except as provided in para-  
11           graph (2), the amendments made by this section shall  
12           take effect on the date of the enactment of this Act,  
13           without regard to whether any plan modifications re-  
14           ferred to in such amendments are adopted or effective  
15           before, on, or after such date of enactment.

16           (2) *SPECIAL RULES.*—

17           (A) *ELECTION OF EARLIER APPLICATION.*—

18           At the election of the plan sponsor, the amend-  
19           ments made by this section shall apply to plan  
20           years beginning after December 31, 2013.

21           (B) *CLOSED CLASSES OF PARTICIPANTS.*—

22           For purposes of paragraphs (1)(A)(iii),  
23           (1)(B)(iii)(IV), and (2)(A)(iv) of section 401(o)  
24           of the Internal Revenue Code of 1986 (as added  
25           by this section), a closed class of participants

1           *shall be treated as being closed before April 5,*  
2           *2017, if the plan sponsor's intention to create*  
3           *such closed class is reflected in formal written*  
4           *documents and communicated to participants be-*  
5           *fore such date.*

6           (C)    *CERTAIN    POST-ENACTMENT    PLAN*  
7           *AMENDMENTS.—A plan shall not be treated as*  
8           *failing to be eligible for the application of section*  
9           *401(o)(1)(A), 401(o)(1)(B)(iii), or 401(a)(26) of*  
10           *such Code (as added by this section) to such plan*  
11           *solely because in the case of—*

12                   (i) *such section 401(o)(1)(A), the plan*  
13                   *was amended before the date of the enact-*  
14                   *ment of this Act to eliminate 1 or more ben-*  
15                   *efits, rights, or features, and is further*  
16                   *amended after such date of enactment to*  
17                   *provide such previously eliminated benefits,*  
18                   *rights, or features to a closed class of par-*  
19                   *ticipants, or*

20                   (ii) *such section 401(o)(1)(B)(iii) or*  
21                   *section 401(a)(26), the plan was amended*  
22                   *before the date of the enactment of this Act*  
23                   *to cease all benefit accruals, and is further*  
24                   *amended after such date of enactment to*  
25                   *provide benefit accruals to a closed class of*

1           *participants. Any such section shall only*  
2           *apply if the plan otherwise meets the re-*  
3           *quirements of such section and in applying*  
4           *such section, the date the class of partici-*  
5           *pants is closed shall be the effective date of*  
6           *the later amendment.*

7   **SEC. 223. FIDUCIARY SAFE HARBOR FOR SELECTION OF**  
8           **LIFETIME INCOME PROVIDER.**

9           *Section 404 of the Employee Retirement Income Secu-*  
10          *rity Act of 1974 (29 U.S.C. 1104) is amended by adding*  
11          *at the end the following:*

12           “(e) *SAFE HARBOR FOR ANNUITY SELECTION.*—

13                   “(1) *IN GENERAL.*—*With respect to the selection*  
14                   *of an insurer for a guaranteed retirement income con-*  
15                   *tract, the requirements of subsection (a)(1)(B) will be*  
16                   *deemed to be satisfied if a fiduciary—*

17                           “(A) *engages in an objective, thorough, and*  
18                           *analytical search for the purpose of identifying*  
19                           *insurers from which to purchase such contracts;*

20                                   “(B) *with respect to each insurer identified*  
21                                   *under subparagraph (A)—*

22   “(i) *considers the financial capability*  
23   *of such insurer to satisfy its obligations*  
24   *under the guaranteed retirement income*  
25   *contract; and*

1           “(ii) considers the cost (including fees  
2           and commissions) of the guaranteed retire-  
3           ment income contract offered by the insurer  
4           in relation to the benefits and product fea-  
5           tures of the contract and administrative  
6           services to be provided under such contract;  
7           and

8           “(C) on the basis of such consideration, con-  
9           cludes that—

10           “(i) at the time of the selection, the in-  
11           surer is financially capable of satisfying its  
12           obligations under the guaranteed retirement  
13           income contract; and

14           “(ii) the relative cost of the selected  
15           guaranteed retirement income contract as  
16           described in subparagraph (B)(ii) is reason-  
17           able.

18           “(2) *FINANCIAL CAPABILITY OF THE INSURER.*—  
19           A fiduciary will be deemed to satisfy the requirements  
20           of paragraphs (1)(B)(i) and (1)(C)(i) if—

21           “(A) the fiduciary obtains written represen-  
22           tations from the insurer that—

23           “(i) the insurer is licensed to offer  
24           guaranteed retirement income contracts;



1           “(ii) the insurer, at the time of selec-  
2           tion and for each of the immediately pre-  
3           ceding 7 plan years—

4                   “(I) operates under a certificate of  
5                   authority from the insurance commis-  
6                   sioner of its domiciliary State which  
7                   has not been revoked or suspended;

8                   “(II) has filed audited financial  
9                   statements in accordance with the laws  
10                  of its domiciliary State under applica-  
11                  ble statutory accounting principles;

12                  “(III) maintains (and has main-  
13                  tained) reserves which satisfies all the  
14                  statutory requirements of all States  
15                  where the insurer does business; and

16                  “(IV) is not operating under an  
17                  order of supervision, rehabilitation, or  
18                  liquidation;

19           “(iii) the insurer undergoes, at least  
20           every 5 years, a financial examination  
21           (within the meaning of the law of its domi-  
22           ciliary State) by the insurance commis-  
23           sioner of the domiciliary State (or rep-  
24           resentative, designee, or other party ap-  
25           proved by such commissioner); and

1           “(iv) the insurer will notify the fidu-  
2           ciary of any change in circumstances occur-  
3           ring after the provision of the representa-  
4           tions in clauses (i), (ii), and (iii) which  
5           would preclude the insurer from making  
6           such representations at the time of issuance  
7           of the guaranteed retirement income con-  
8           tract; and

9           “(B) after receiving such representations  
10          and as of the time of selection, the fiduciary has  
11          not received any notice described in subpara-  
12          graph (A)(iv) and is in possession of no other in-  
13          formation which would cause the fiduciary to  
14          question the representations provided.

15          “(3) NO REQUIREMENT TO SELECT LOWEST  
16          COST.—Nothing in this subsection shall be construed  
17          to require a fiduciary to select the lowest cost con-  
18          tract. A fiduciary may consider the value of a con-  
19          tract, including features and benefits of the contract  
20          and attributes of the insurer (including, without limi-  
21          tation, the insurer’s financial strength) in conjunc-  
22          tion with the cost of the contract.

23          “(4) TIME OF SELECTION.—

24                 “(A) IN GENERAL.—For purposes of this  
25                 subsection, the time of selection is—

1           “(i) the time that the insurer and the  
2           contract are selected for distribution of ben-  
3           efits to a specific participant or beneficiary;  
4           or

5           “(ii) if the fiduciary periodically re-  
6           views the continuing appropriateness of the  
7           conclusion described in paragraph (1)(C)  
8           with respect to a selected insurer, taking  
9           into account the considerations described in  
10          such paragraph, the time that the insurer  
11          and the contract are selected to provide ben-  
12          efits at future dates to participants or bene-  
13          ficiaries under the plan.

14          Nothing in the preceding sentence shall be con-  
15          strued to require the fiduciary to review the ap-  
16          propriateness of a selection after the purchase of  
17          a contract for a participant or beneficiary.

18          “(B) PERIODIC REVIEW.—A fiduciary will  
19          be deemed to have conducted the periodic review  
20          described in subparagraph (A)(ii) if the fidu-  
21          ciary obtains the written representations de-  
22          scribed in clauses (i), (ii), and (iii) of paragraph  
23          (2)(A) from the insurer on an annual basis, un-  
24          less the fiduciary receives any notice described in  
25          paragraph (2)(A)(iv) or otherwise becomes aware

1           *of facts that would cause the fiduciary to ques-*  
2           *tion such representations.*

3           “(5) *LIMITED LIABILITY.*—*A fiduciary which*  
4           *satisfies the requirements of this subsection shall not*  
5           *be liable following the distribution of any benefit, or*  
6           *the investment by or on behalf of a participant or*  
7           *beneficiary pursuant to the selected guaranteed retire-*  
8           *ment income contract, for any losses that may result*  
9           *to the participant or beneficiary due to an insurer’s*  
10           *inability to satisfy its financial obligations under the*  
11           *terms of such contract.*

12           “(6) *DEFINITIONS.*—*For purposes of this sub-*  
13           *section—*

14           “(A) *INSURER.*—*The term ‘insurer’ means*  
15           *an insurance company, insurance service, or in-*  
16           *surance organization, including affiliates of such*  
17           *companies.*

18           “(B) *GUARANTEED RETIREMENT INCOME*  
19           *CONTRACT.*—*The term ‘guaranteed retirement in-*  
20           *come contract’ means an annuity contract for a*  
21           *fixed term or a contract (or provision or feature*  
22           *thereof) which provides guaranteed benefits an-*  
23           *nually (or more frequently) for at least the re-*  
24           *mainder of the life of the participant or the joint*  
25           *lives of the participant and the participant’s*

1           *designated beneficiary as part of an individual*  
 2           *account plan.”.*

3 **SEC. 224. DISCLOSURE REGARDING LIFETIME INCOME.**

4           *(a) IN GENERAL.—Subparagraph (B) of section*  
 5 *105(a)(2) of the Employee Retirement Income Security Act*  
 6 *of 1974 (29 U.S.C. 1025(a)(2)) is amended—*

7           *(1) in clause (i), by striking “and” at the end;*

8           *(2) in clause (ii), by striking “diversification.”*

9           *and inserting “diversification, and”; and*

10           *(3) by inserting at the end the following:*

11                           *“(iii) the lifetime income disclosure de-*  
 12                           *scribed in subparagraph (D)(i).*

13           *In the case of pension benefit statements de-*  
 14 *scribed in clause (i) of paragraph (1)(A), a life-*  
 15 *time income disclosure under clause (iii) of this*  
 16 *subparagraph shall be required to be included in*  
 17 *only one pension benefit statement during any*  
 18 *one 12-month period.”.*

19           *(b) LIFETIME INCOME.—Paragraph (2) of section*  
 20 *105(a) of the Employee Retirement Income Security Act of*  
 21 *1974 (29 U.S.C. 1025(a)) is amended by adding at the end*  
 22 *the following new subparagraph:*

23                           *“(D) LIFETIME INCOME DISCLOSURE.—*

24                           *“(i) IN GENERAL.—*

1           “(I) *DISCLOSURE.*—*A lifetime in-*  
2           *come disclosure shall set forth the life-*  
3           *time income stream equivalent of the*  
4           *total benefits accrued with respect to*  
5           *the participant or beneficiary.*

6           “(II) *LIFETIME INCOME STREAM*  
7           *EQUIVALENT OF THE TOTAL BENEFITS*  
8           *ACCRUED.*—*For purposes of this sub-*  
9           *paragraph, the term ‘lifetime income*  
10           *stream equivalent of the total benefits*  
11           *accrued’ means the amount of monthly*  
12           *payments the participant or bene-*  
13           *ficiary would receive if the total ac-*  
14           *crued benefits of such participant or*  
15           *beneficiary were used to provide life-*  
16           *time income streams described in sub-*  
17           *clause (III), based on assumptions*  
18           *specified in rules prescribed by the Sec-*  
19           *retary.*

20           “(III)       *LIFETIME       INCOME*  
21           *STREAMS.*—*The       lifetime       income*  
22           *streams described in this subclause are*  
23           *a qualified joint and survivor annuity*  
24           *(as defined in section 205(d)), based on*  
25           *assumptions specified in rules pre-*

1           scribed by the Secretary, including the  
2           assumption that the participant or  
3           beneficiary has a spouse of equal age,  
4           and a single life annuity. Such lifetime  
5           income streams may have a term cer-  
6           tain or other features to the extent per-  
7           mitted under rules prescribed by the  
8           Secretary.

9           “(ii) *MODEL DISCLOSURE.*—Not later  
10          than 1 year after the date of the enactment  
11          of the Retirement, Savings, and Other Tax  
12          Relief Act of 2018, the Secretary shall issue  
13          a model lifetime income disclosure, written  
14          in a manner so as to be understood by the  
15          average plan participant, which—

16                 “(I) explains that the lifetime in-  
17                 come stream equivalent is only pro-  
18                 vided as an illustration;

19                 “(II) explains that the actual  
20                 payments under the lifetime income  
21                 stream described in clause (i)(III)  
22                 which may be purchased with the total  
23                 benefits accrued will depend on numer-  
24                 ous factors and may vary substantially

1 *from the lifetime income stream equiv-*  
2 *alent in the disclosures;*

3 *“(III) explains the assumptions*  
4 *upon which the lifetime income stream*  
5 *equivalent was determined; and*

6 *“(IV) provides such other similar*  
7 *explanations as the Secretary considers*  
8 *appropriate.*

9 *“(iii) ASSUMPTIONS AND RULES.—Not*  
10 *later than 1 year after the date of the enact-*  
11 *ment of the Retirement, Savings, and Other*  
12 *Tax Relief Act of 2018, the Secretary*  
13 *shall—*

14 *“(I) prescribe assumptions which*  
15 *administrators of individual account*  
16 *plans may use in converting total ac-*  
17 *crued benefits into lifetime income*  
18 *stream equivalents for purposes of this*  
19 *subparagraph; and*

20 *“(II) issue interim final rules*  
21 *under clause (i).*

22 *In prescribing assumptions under subclause*  
23 *(I), the Secretary may prescribe a single set*  
24 *of specific assumptions (in which case the*  
25 *Secretary may issue tables or factors which*



1           *facilitate such conversions), or ranges of*  
2           *permissible assumptions. To the extent that*  
3           *an accrued benefit is or may be invested in*  
4           *a lifetime income stream described in clause*  
5           *(i)(III), the assumptions prescribed under*  
6           *subclause (I) shall, to the extent appro-*  
7           *priate, permit administrators of individual*  
8           *account plans to use the amounts payable*  
9           *under such lifetime income stream as a life-*  
10          *time income stream equivalent.*

11           “(iv) *LIMITATION ON LIABILITY.—No*  
12          *plan fiduciary, plan sponsor, or other per-*  
13          *son shall have any liability under this title*  
14          *solely by reason of the provision of lifetime*  
15          *income stream equivalents which are de-*  
16          *rived in accordance with the assumptions*  
17          *and rules described in clause (iii) and*  
18          *which include the explanations contained in*  
19          *the model lifetime income disclosure de-*  
20          *scribed in clause (i). This clause shall*  
21          *apply without regard to whether the provi-*  
22          *sion of such lifetime income stream equiva-*  
23          *lent is required by subparagraph (B)(iii).*

24           “(v) *EFFECTIVE DATE.—The require-*  
25          *ment in subparagraph (B)(iii) shall apply*

1           to pension benefit statements furnished more  
2           than 12 months after the latest of the  
3           issuance by the Secretary of—

4                       “(I) interim final rules under  
5                       clause (i);

6                       “(II) the model disclosure under  
7                       clause (ii); or

8                       “(III) the assumptions under  
9                       clause (iii).”.

10 **SEC. 225. MODIFICATION OF PBGC PREMIUMS FOR CSEC**  
11 **PLANS.**

12           (a) *FLAT RATE PREMIUM.*—Subparagraph (A) of sec-  
13 *tion 4006(a)(3) of the Employee Retirement Income Secu-*  
14 *rity Act of 1974 (29 U.S.C. 1306(a)(3)) is amended—*

15                       (1) *in clause (i), by striking “plan,” and insert-*  
16 *ing “plan other than a CSEC plan (as defined in sec-*  
17 *tion 210(f)(1))”;*

18                       (2) *in clause (v), by striking “or” at the end;*

19                       (3) *in clause (vi), by striking the period at the*  
20 *end and inserting “, or”;* and

21                       (4) *by adding at the end the following new*  
22 *clause:*

23                               “(vii) *in the case of a CSEC plan (as*  
24 *defined in section 210(f)(1)), for plan years*  
25 *beginning after December 31, 2018, for each*

1           *individual who is a participant in such*  
2           *plan during the plan year an amount equal*  
3           *to the sum of—*

4                     “(I) *the additional premium (if*  
5                     *any) determined under subparagraph*  
6                     *(E), and*

7                     “(II) *\$19.*”.

8       (b) *VARIABLE RATE PREMIUM.—*

9           (1) *UNFUNDED VESTED BENEFITS.—*

10                   (A) *IN GENERAL.—Subparagraph (E) of*  
11                   *section 4006(a)(3) of the Employee Retirement*  
12                   *Income Security Act of 1974 (29 U.S.C.*  
13                   *1306(a)(3)) is amended by adding at the end the*  
14                   *following new clause:*

15                             “(v) *For purposes of clause (ii), in the*  
16                             *case of a CSEC plan (as defined in section*  
17                             *210(f)(1)), the term ‘unfunded vested bene-*  
18                             *fits’ means, for plan years beginning after*  
19                             *December 31, 2018, the excess (if any) of—*

20                                     “(I) *the funding liability of the*  
21                                     *plan as determined under section*  
22                                     *306(j)(5)(C) for the plan year by only*  
23                                     *taking into account vested benefits,*  
24                                     *over*

1                   “(II) the fair market value of  
2                   plan assets for the plan year which are  
3                   held by the plan on the valuation  
4                   date.”.

5                   (B) CONFORMING AMENDMENT.—Clause  
6                   (iii) of section 4006(a)(3)(E) of such Act (29  
7                   U.S.C. 1306(a)(3)(E)) is amended by striking  
8                   “*For purposes*” and inserting “*Except as pro-*  
9                   *vided in clause (v), for purposes*”.

10                  (2) APPLICABLE DOLLAR AMOUNT.—

11                  (A) IN GENERAL.—Paragraph (8) of section  
12                  4006(a) of such Act (29 U.S.C. 1306(a)) is  
13                  amended by adding at the end the following new  
14                  subparagraph:

15                  “(E) CSEC PLANS.—In the case of a CSEC  
16                  plan (as defined in section 210(f)(1)), the appli-  
17                  cable dollar amount shall be \$9.”.

18                  (B) CONFORMING AMENDMENT.—Subpara-  
19                  graph (A) of section 4006(a)(8) of such Act (29  
20                  U.S.C. 1306(a)(8)) is amended by striking “(B)  
21                  and (C)” and inserting “(B), (C), and (E)”.

1                   **Subtitle C—Other Savings**  
2                   **Provisions**

3 **SEC. 231. EXPANSION OF SECTION 529 PLANS.**

4           (a) *DISTRIBUTIONS FOR CERTAIN EXPENSES ASSOCI-*  
5 *ATED WITH REGISTERED APPRENTICESHIP PROGRAMS.—*  
6 *Section 529(c) of the Internal Revenue Code of 1986 is*  
7 *amended by adding at the end the following new paragraph:*

8                   “(8) *TREATMENT OF CERTAIN EXPENSES ASSOCI-*  
9 *ATED WITH REGISTERED APPRENTICESHIP PRO-*  
10 *GRAMS.—Any reference in this subsection to the term*  
11 *‘qualified higher education expense’ shall include a*  
12 *reference to expenses for fees, books, supplies, and*  
13 *equipment required for the participation of a des-*  
14 *ignated beneficiary in an apprenticeship program*  
15 *registered and certified with the Secretary of Labor*  
16 *under section 1 of the National Apprenticeship Act*  
17 *(29 U.S.C. 50).”.*

18           (b) *DISTRIBUTIONS FOR CERTAIN HOMESCHOOLING*  
19 *EXPENSES.—Section 529(c)(7) of such Code is amended by*  
20 *striking “include a reference to” and all that follows and*  
21 *inserting “include a reference to—*

22                   “(A) *expenses for tuition in connection with*  
23 *enrollment or attendance of a designated bene-*  
24 *ficiary at an elementary or secondary public,*  
25 *private, or religious school, and*

1                   “(B) expenses, with respect to a designated  
2                   beneficiary, for—

3                   “(i) curriculum and curricular mate-  
4                   rials,

5                   “(ii) books or other instructional mate-  
6                   rials,

7                   “(iii) online educational materials,

8                   “(iv) tuition for tutoring or edu-  
9                   cational classes outside of the home (but  
10                  only if the tutor or class instructor is not  
11                  related (within the meaning of section  
12                  152(d)(2)) to the student),

13                  “(v) dual enrollment in an institution  
14                  of higher education, and

15                  “(vi) educational therapies for students  
16                  with disabilities,

17                  in connection with a homeschool (whether treated  
18                  as a homeschool or a private school for purposes  
19                  of applicable State law).”.

20                  (c) *DISTRIBUTIONS FOR QUALIFIED EDUCATION LOAN*  
21                  *REPAYMENTS.*—

22                  (1) *IN GENERAL.*—Section 529(c) of such Code,  
23                  as amended by subsection (a), is amended by adding  
24                  at the end the following new paragraph:

1           “(9) *TREATMENT OF QUALIFIED EDUCATION*  
2           *LOAN REPAYMENTS.*—

3           “(A) *IN GENERAL.*—*Any reference in this*  
4           *subsection to the term ‘qualified higher education*  
5           *expense’ shall include a reference to amounts*  
6           *paid as principal or interest on any qualified*  
7           *education loan (as defined in section 221(d)) of*  
8           *the designated beneficiary or a sibling of the des-*  
9           *ignated beneficiary.*

10           “(B) *LIMITATION.*—*The amount of distribu-*  
11           *tions treated as a qualified higher education ex-*  
12           *pense under this paragraph with respect to the*  
13           *loans of any individual shall not exceed \$10,000*  
14           *(reduced by the amount of distributions so treat-*  
15           *ed for all prior taxable years).*

16           “(C) *SPECIAL RULES FOR SIBLINGS OF THE*  
17           *DESIGNATED BENEFICIARY.*—

18           “(i) *SEPARATE ACCOUNTING.*—*For*  
19           *purposes of subparagraph (B) and sub-*  
20           *section (d), amounts treated as a qualified*  
21           *higher education expense with respect to the*  
22           *loans of a sibling of the designated bene-*  
23           *ficiary shall be taken into account with re-*  
24           *spect to such sibling and not with respect to*  
25           *such designated beneficiary.*

1                   “(i) *SIBLING DEFINED.*—For purposes  
2                   of this paragraph, the term ‘sibling’ means  
3                   an individual who bears a relationship to  
4                   the designated beneficiary which is de-  
5                   scribed in section 152(d)(2)(B).”.

6                   (2) *COORDINATION WITH DEDUCTION FOR STU-*  
7                   *DENT LOAN INTEREST.*—Section 221(e)(1) of such  
8                   Code is amended by adding at the end the following:  
9                   “The deduction otherwise allowable under subsection  
10                  (a) (prior to the application of subsection (b)) to the  
11                  taxpayer for any taxable year shall be reduced (but  
12                  not below zero) by so much of the distributions treated  
13                  as a qualified higher education expense under section  
14                  529(c)(9) with respect to loans of the taxpayer as  
15                  would be includible in gross income under section  
16                  529(c)(3)(A) for such taxable year but for such treat-  
17                  ment.”.

18                  (d) *DISTRIBUTIONS FOR CERTAIN ELEMENTARY AND*  
19                  *SECONDARY SCHOOL EXPENSES IN ADDITION TO TUI-*  
20                  *TION.*—Section 529(c)(7)(A), as amended by subsection (b),  
21                  is amended to read as follows:

22                         “(A) expenses described in section  
23                         530(b)(3)(A)(i) in connection with enrollment or  
24                         attendance of a designated beneficiary at an ele-



1           *mentary or secondary public, private, or reli-*  
2           *gious school, and”.*

3           *(e) UNBORN CHILDREN ALLOWED AS ACCOUNT BENE-*  
4           *FICIARIES.—Section 529(e) is amended by adding at the*  
5           *end the following new paragraph:*

6           “(6) *TREATMENT OF UNBORN CHILDREN.—*

7                   “(A) *IN GENERAL.—Nothing shall prevent*  
8                   *an unborn child from being treated as a des-*  
9                   *ignated beneficiary or an individual under this*  
10                   *section.*

11                   “(B) *UNBORN CHILD.—For purposes of this*  
12                   *paragraph—*

13                           “(i) *IN GENERAL.—The term ‘unborn*  
14                           *child’ means a child in utero.*

15                           “(ii) *CHILD IN UTERO.—The term*  
16                           *‘child in utero’ means a member of the spe-*  
17                           *cies homo sapiens, at any stage of develop-*  
18                           *ment, who is carried in the womb.”.*

19           *(f) EFFECTIVE DATES.—*

20                   “(1) *IN GENERAL.—Except as otherwise provided*  
21                   *in this subsection, the amendments made by this sec-*  
22                   *tion shall apply to distributions made after December*  
23                   *31, 2018.*

24                   “(2) *UNBORN CHILDREN ALLOWED AS ACCOUNT*  
25                   *BENEFICIARIES.—The amendment made by subsection*

1       (e) shall apply to contributions made after December  
2       31, 2018.

3 **SEC. 232. PENALTY-FREE WITHDRAWALS FROM RETIRE-**  
4                   **MENT PLANS FOR INDIVIDUALS IN CASE OF**  
5                   **BIRTH OF CHILD OR ADOPTION.**

6       (a) *IN GENERAL.*—Section 72(t)(2) is amended by  
7 adding at the end the following new subparagraph:

8                   “(H) *DISTRIBUTIONS FROM RETIREMENT*  
9                   *PLANS IN CASE OF BIRTH OF CHILD OR ADOP-*  
10                   *TION.*—

11                   “(i) *IN GENERAL.*—Any qualified birth  
12                   or adoption distribution.

13                   “(ii) *LIMITATION.*—The aggregate  
14                   amount which may be treated as qualified  
15                   birth or adoption distributions by any indi-  
16                   vidual with respect to any birth or adoption  
17                   shall not exceed \$7,500.

18                   “(iii) *QUALIFIED BIRTH OR ADOPTION*  
19                   *DISTRIBUTION.*—For purposes of this sub-  
20                   paragraph—

21                   “(I) *IN GENERAL.*—The term  
22                   ‘qualified birth or adoption distribu-  
23                   tion’ means any distribution from an  
24                   applicable eligible retirement plan to  
25                   an individual if made during the 1-

1           *year period beginning on the date on*  
2           *which a child of the individual is born*  
3           *or on which the legal adoption by the*  
4           *individual of an eligible child is final-*  
5           *ized.*

6                     “(II) *ELIGIBLE CHILD.*—*The term*  
7                     *‘eligible child’ means any individual*  
8                     *(other than a child of the taxpayer’s*  
9                     *spouse) who has not attained age 18 or*  
10                    *is physically or mentally incapable of*  
11                    *self-support.*

12                    “(iv) *TREATMENT OF PLAN DISTRIBUTIONS.*—  
13                    

14                             “(I) *IN GENERAL.*—*If a distribu-*  
15                             *tion to an individual would (without*  
16                             *regard to clause (ii)) be a qualified*  
17                             *birth or adoption distribution, a plan*  
18                             *shall not be treated as failing to meet*  
19                             *any requirement of this title merely be-*  
20                             *cause the plan treats the distribution*  
21                             *as a qualified birth or adoption dis-*  
22                             *tribution, unless the aggregate amount*  
23                             *of such distributions from all plans*  
24                             *maintained by the employer (and any*  
25                             *member of any controlled group which*

1 includes the employer) to such indi-  
2 vidual exceeds \$7,500.

3 “(II) CONTROLLED GROUP.—For  
4 purposes of subclause (I), the term  
5 ‘controlled group’ means any group  
6 treated as a single employer under sub-  
7 section (b), (c), (m), or (o) of section  
8 414.

9 “(v) AMOUNT DISTRIBUTED MAY BE  
10 REPAID.—

11 “(I) IN GENERAL.—Any indi-  
12 vidual who receives a qualified birth or  
13 adoption distribution may make one or  
14 more contributions in an aggregate  
15 amount not to exceed the amount of  
16 such distribution to an applicable eli-  
17 gible retirement plan of which such in-  
18 dividual is a beneficiary and to which  
19 a rollover contribution of such dis-  
20 tribution could be made under section  
21 402(c), 403(a)(4), 403(b)(8), 408(d)(3),  
22 or 457(e)(16), as the case may be.

23 “(II) LIMITATION ON CONTRIBU-  
24 TIONS TO APPLICABLE ELIGIBLE RE-  
25 TIREMENT PLANS OTHER THAN

1            *IRAS.—The aggregate amount of con-*  
2            *tributions made by an individual*  
3            *under subclause (I) to any applicable*  
4            *eligible retirement plan which is not*  
5            *an individual retirement plan shall*  
6            *not exceed the aggregate amount of*  
7            *qualified birth or adoption distribu-*  
8            *tions which are made from such plan*  
9            *to such individual. Subclause (I) shall*  
10           *not apply to contributions to any ap-*  
11           *plicable eligible retirement plan which*  
12           *is not an individual retirement plan*  
13           *unless the individual is eligible to*  
14           *make contributions (other than those*  
15           *described in subclause (I)) to such ap-*  
16           *plicable eligible retirement plan.*

17                    *“(III) TREATMENT OF REPAY-*  
18                    *MENTS OF DISTRIBUTIONS FROM AP-*  
19                    *PLICABLE ELIGIBLE RETIREMENT*  
20                    *PLANS OTHER THAN IRAS.—If a con-*  
21                    *tribution is made under subclause (I)*  
22                    *with respect to a qualified birth or*  
23                    *adoption distribution from an applica-*  
24                    *ble eligible retirement plan other than*  
25                    *an individual retirement plan, then*

1           *the taxpayer shall, to the extent of the*  
2           *amount of the contribution, be treated*  
3           *as having received such distribution in*  
4           *an eligible rollover distribution (as de-*  
5           *finied in section 402(c)(4)) and as hav-*  
6           *ing transferred the amount to the ap-*  
7           *plicable eligible retirement plan in a*  
8           *direct trustee to trustee transfer within*  
9           *60 days of the distribution.*

10           “(IV) *TREATMENT OF REPAY-*  
11           *MENTS FOR DISTRIBUTIONS FROM*  
12           *IRAS.—If a contribution is made under*  
13           *subclause (I) with respect to a quali-*  
14           *fied birth or adoption distribution*  
15           *from an individual retirement plan,*  
16           *then, to the extent of the amount of the*  
17           *contribution, such distribution shall be*  
18           *treated as a distribution described in*  
19           *section 408(d)(3) and as having been*  
20           *transferred to the applicable eligible re-*  
21           *tirement plan in a direct trustee to*  
22           *trustee transfer within 60 days of the*  
23           *distribution.*

1                   “(vi) *DEFINITION AND SPECIAL*  
2 *RULES.—For purposes of this subpara-*  
3 *graph—*

4                   “(I) *APPLICABLE ELIGIBLE RE-*  
5 *TIREMENT PLAN.—The term ‘applica-*  
6 *ble eligible retirement plan’ means an*  
7 *eligible retirement plan (as defined in*  
8 *section 402(c)(8)(B)) other than a de-*  
9 *defined benefit plan.*

10                   “(II) *EXEMPTION OF DISTRIBU-*  
11 *TIONS FROM TRUSTEE TO TRUSTEE*  
12 *TRANSFER AND WITHHOLDING*  
13 *RULES.—For purposes of sections*  
14 *401(a)(31), 402(f), and 3405, a quali-*  
15 *fied birth or adoption distribution*  
16 *shall not be treated as an eligible roll-*  
17 *over distribution.*

18                   “(III) *TAXPAYER MUST INCLUDE*  
19 *TIN.—A distribution shall not be treat-*  
20 *ed as a qualified birth or adoption dis-*  
21 *tribution with respect to any child or*  
22 *eligible child unless the taxpayer in-*  
23 *cludes the name, age, and TIN of such*  
24 *child or eligible child on the taxpayer’s*  
25 *return of tax for the taxable year.*

1                   “(IV) *DISTRIBUTIONS TREATED*  
2                   *AS MEETING PLAN DISTRIBUTION RE-*  
3                   *QUIREMENTS.—Any qualified birth or*  
4                   *adoption distribution shall be treated*  
5                   *as meeting the requirements of sections*  
6                   *401(k)(2)(B)(i),           403(b)(7)(A)(ii),*  
7                   *403(b)(11), and 457(d)(1)(A).”.*

8           (b) *EFFECTIVE DATE.—The amendments made by this*  
9           *section shall apply to distributions made after December 31,*  
10           *2018.*

11           ***TITLE III—REPEAL OR DELAY OF***  
12           ***CERTAIN       HEALTH-RELATED***  
13           ***TAXES***

14           ***SEC. 301. EXTENSION OF MORATORIUM ON MEDICAL DE-***  
15           ***VICE EXCISE TAX.***

16           *Section 4191(c) of the Internal Revenue Code of 1986*  
17           *is amended by striking “December 31, 2019” and inserting*  
18           *“December 31, 2024”.*

19           ***SEC. 302. DELAY IN IMPLEMENTATION OF EXCISE TAX ON***  
20           ***HIGH COST EMPLOYER-SPONSORED HEALTH***  
21           ***COVERAGE.***

22           *Section 9001(c) of the Patient Protection and Afford-*  
23           *able Care Act is amended by striking “December 31, 2021”*  
24           *and inserting “December 31, 2022”.*



1 **SEC. 303. EXTENSION OF SUSPENSION OF ANNUAL FEE ON**  
2 **HEALTH INSURANCE PROVIDERS.**

3 *Section 9010(j)(3) of the Patient Protection and Af-*  
4 *fordable Care Act is amended by striking “December 31,*  
5 *2019” and inserting “December 31, 2021”.*

6 **SEC. 304. REPEAL OF EXCISE TAX ON INDOOR TANNING**  
7 **SERVICES.**

8 *(a) IN GENERAL.—Subtitle D of the Internal Revenue*  
9 *Code of 1986 is amended by striking chapter 49 and by*  
10 *striking the item relating to such chapter in the table of*  
11 *chapters of such subtitle.*

12 *(b) EFFECTIVE DATE.—The amendments made by this*  
13 *section shall apply to services performed in calendar quar-*  
14 *ters beginning more than 30 days after the date of the enact-*  
15 *ment of this Act.*

16 **TITLE IV—CERTAIN EXPIRING**  
17 **PROVISIONS**

18 **SEC. 401. RAILROAD TRACK MAINTENANCE CREDIT MADE**  
19 **PERMANENT.**

20 *(a) CREDIT PERCENTAGE REDUCED.—Section 45G(a)*  
21 *is amended by striking “50 percent” and inserting “30 per-*  
22 *cent”.*

23 *(b) MADE PERMANENT.—Section 45G is amended by*  
24 *striking subsection (f).*

1       (c) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall apply to expenditures paid or incurred during*  
3 *taxable years beginning after December 31, 2017.*

4 **SEC. 402. BIODIESEL AND RENEWABLE DIESEL PROVISIONS**  
5 **EXTENDED AND PHASED OUT.**

6       (a) *INCOME TAX CREDIT.*—

7           (1) *IN GENERAL.*—*Section 40A(g) is amended to*  
8 *read as follows:*

9       “(g) *PHASE OUT; TERMINATION.*—

10           “(1) *PHASE OUT.*—*In the case of any sale or use*  
11 *after December 31, 2021, subsections (b)(1)(A) and*  
12 *(b)(2)(A) shall be applied by substituting for*  
13 *‘\$1.00’—*

14                   “(A) *‘\$.75’, if such sale or use is before Jan-*  
15 *uary 1, 2023,*

16                   “(B) *‘\$.50’, if such sale or use is after De-*  
17 *cember 31, 2022, and before January 1, 2024,*  
18 *and*

19                   “(C) *‘\$.33’, if such sale or use is after De-*  
20 *cember 31, 2023, and before January 1, 2025.*

21           “(2) *TERMINATION.*—*This section shall not*  
22 *apply to any sale or use after December 31, 2024.”.*

23       (2) *EFFECTIVE DATE.*—*The amendment made by*  
24 *this subsection shall apply to fuel sold or used after*  
25 *December 31, 2017.*

1       **(b) EXCISE TAX INCENTIVES.**—

2               **(1) PHASE OUT.**—Section 6426(c)(2) is amended  
3 to read as follows:

4               **“(2) APPLICABLE AMOUNT.**—For purposes of this  
5 subsection, the applicable amount is—

6                       **“(A) \$1.00** in the case of any sale or use for  
7 any period before January 1, 2022,

8                       **“(B) \$.75** in the case of any sale or use for  
9 any period after December 31, 2021, and before  
10 January 1, 2023,

11                      **“(C) \$.50** in the case of any sale or use for  
12 any period after December 31, 2022, and before  
13 January 1, 2024, and

14                      **“(D) \$.33** in the case of any sale or use for  
15 any period after December 31, 2023, and before  
16 January 1, 2025.”.

17       **(2) TERMINATION.**—

18               **(A) IN GENERAL.**—Section 6426(c)(6) is  
19 amended by striking “December 31, 2017” and  
20 inserting “December 31, 2024”.

21               **(B) PAYMENTS.**—Section 6427(e)(6)(B) is  
22 amended by striking “December 31, 2017” and  
23 inserting “December 31, 2024”.

1           (3) *EFFECTIVE DATE.*—*The amendments made*  
2 *by this subsection shall apply to fuel sold or used*  
3 *after December 31, 2017.*

4           (4) *SPECIAL RULE FOR 2018.*—*Notwithstanding*  
5 *any other provision of law, in the case of any bio-*  
6 *diesel mixture credit properly determined under sec-*  
7 *tion 6426(c) of the Internal Revenue Code of 1986 for*  
8 *the period beginning on January 1, 2018, and ending*  
9 *on December 31, 2018, such credit shall be allowed,*  
10 *and any refund or payment attributable to such cred-*  
11 *it (including any payment under section 6427(e) of*  
12 *such Code) shall be made, only in such manner as the*  
13 *Secretary of the Treasury (or the Secretary’s delegate)*  
14 *shall provide. Such Secretary shall issue guidance*  
15 *within 30 days after the date of the enactment of this*  
16 *Act providing for a one-time submission of claims*  
17 *covering periods described in the preceding sentence.*  
18 *Such guidance shall provide for a 180-day period for*  
19 *the submission of such claims (in such manner as*  
20 *prescribed by such Secretary) to begin not later than*  
21 *30 days after such guidance is issued. Such claims*  
22 *shall be paid by such Secretary not later than 60*  
23 *days after receipt. If such Secretary has not paid*  
24 *pursuant to a claim filed under this subsection within*  
25 *60 days after the date of the filing of such claim, the*

1 *claim shall be paid with interest from such date de-*  
 2 *termined by using the overpayment rate and method*  
 3 *under section 6621 of such Code.*

## 4 **TITLE V—OTHER PROVISIONS**

### 5 **SEC. 501. TECHNICAL AMENDMENTS RELATING TO PUBLIC**

#### 6 **LAW 115-97.**

7 *(a) AMENDMENT RELATING TO SECTION 11011.—Sec-*  
 8 *tion 852(b) is amended by adding at the end the following:*

9 *“(10) TREATMENT BY SHAREHOLDERS OF QUALI-*  
 10 *FIED REIT DIVIDENDS AND QUALIFIED PUBLICLY*  
 11 *TRADED PARTNERSHIP INCOME.—*

12 *“(A) IN GENERAL.—A shareholder of a reg-*  
 13 *ulated investment company shall take into ac-*  
 14 *count for purposes of section 199A(b)(1)(B)—*

15 *“(i) as a qualified REIT dividend the*  
 16 *amount which is reported by the company*  
 17 *(in written statements furnished to its*  
 18 *shareholders) as being attributable to quali-*  
 19 *fied REIT dividends received by the com-*  
 20 *pany, and*

21 *“(ii) as qualified publicly traded part-*  
 22 *nership income the amount which is re-*  
 23 *ported by the company (in written state-*  
 24 *ments furnished to its shareholders) as being*

1           *attributable to qualified publicly traded*  
2           *partnership income of the company.*

3           “(B) *EXCESS REPORTED AMOUNTS.*—*Rules*  
4           *similar to the rules of clauses (ii) and (iii) of*  
5           *paragraph (5)(A) shall apply for purposes of this*  
6           *paragraph.*

7           “(C) *NEGATIVE QUALIFIED PUBLICLY TRAD-*  
8           *ED PARTNERSHIP INCOME REQUIRED TO BE*  
9           *TAKEN INTO ACCOUNT.*—*If the qualified publicly*  
10          *traded partnership income of the company is less*  
11          *than zero, such income shall be reported by the*  
12          *company under subparagraph (A)(ii).*

13          “(D) *REGULATIONS.*—*The Secretary shall*  
14          *issue such regulations or other guidance as may*  
15          *be necessary or appropriate to carry out the pur-*  
16          *poses of this paragraph.”.*

17          **(b) AMENDMENTS RELATING TO SECTION 13204.**—

18                 (1) *Section 168(e)(3)(E) is amended by striking*  
19                 *“and” at the end of clause (v), by striking the period*  
20                 *at the end of clause (vi) and inserting “, and”, and*  
21                 *by adding at the end the following new clause:*

22                         “(vii) *any qualified improvement*  
23                         *property.”.*

24                 (2) *The table contained in subparagraph (B) of*  
25                 *section 168(g)(3) is amended—*

1           (A) by striking the item relating to sub-  
2           paragraph (D)(v), and

3           (B) by inserting after the item relating to  
4           subparagraph (E)(vi) the following new item:  
5           “(E)(vii) ..... 20”.

6           (c) AMENDMENT RELATING TO SECTION 13302.—Sec-  
7           tion 13302(e)(2) of Public Law 115-97 is amended by strik-  
8           ing “ending” and inserting “beginning”.

9           (d) AMENDMENT RELATING TO SECTION 13307.—Sec-  
10          tion 162(q)(2) is amended by inserting “in the case of the  
11          taxpayer for whom a deduction is disallowed by reason of  
12          paragraph (1),” before “attorney’s fees”.

13          (e) AMENDMENT RELATING TO SECTION 14103.—

14           (1) IN GENERAL.—Section 965(h) is amended by  
15           adding at the end the following new paragraph:

16           “(7) INSTALLMENTS NOT TO PREVENT CREDIT OR  
17           REFUND OF OVERPAYMENTS OR INCREASE ESTIMATED  
18           TAXES.—If an election is made under paragraph (1)  
19           to pay the net tax liability under this section in in-  
20           stallments—

21           “(A) no installment of such net tax liability  
22           shall—

23           “(i) in the case of a request for credit  
24           or refund, be taken into account as a liabil-  
25           ity for purposes of determining whether an  
            overpayment exists for purposes of section

1           6402 before the date on which such install-  
2           ment is due, or

3                   “(ii) for purposes of sections 6425,  
4                   6654, and 6655, be treated as a tax imposed  
5                   by section 1, section 11, or subchapter L of  
6                   chapter 1, and

7                   “(B) the first sentence of section 6403 shall  
8                   not apply with respect to any such installment.”.

9           (2) *LIMITATION ON PAYMENT OF INTEREST.*—*In*  
10          *the case of the portion of any overpayment which ex-*  
11          *ists by reason of the application of section 965(h)(7)*  
12          *of the Internal Revenue Code of 1986 (as added by*  
13          *this subsection)—*

14                   (A) *if credit or refund of such portion is*  
15                   *made on or before the date which is 45 days after*  
16                   *the date of the enactment of this Act, no interest*  
17                   *shall be allowed or paid under section 6611 of*  
18                   *such Code with respect to such portion, and*

19                   (B) *if credit or refund of such portion is*  
20                   *made after the date which is 45 days after the*  
21                   *date of the enactment of this Act, no interest*  
22                   *shall be allowed or paid under section 6611 of*  
23                   *such Code with respect to such portion for any*  
24                   *period before the date of the enactment of this*  
25                   *Act.*



1 (f) *AMENDMENTS RELATING TO SECTION 14213.*—

2 (1) *Section 958(b) is amended—*

3 (A) *by inserting after paragraph (3) the fol-*  
4 *lowing:*

5 “(4) *Subparagraphs (A), (B), and (C) of section*  
6 *318(a)(3) shall not be applied so as to consider a*  
7 *United States person as owning stock which is owned*  
8 *by a person who is not a United States person.*”, and

9 (B) *by striking “Paragraph (1)” in the last*  
10 *sentence and inserting “Paragraphs (1) and*  
11 *(4)”.*

12 (2) *Subpart F of part III of subchapter N of*  
13 *chapter 1 is amended by inserting after section 951A*  
14 *the following new section:*

15 **“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF**  
16 **FOREIGN CONTROLLED UNITED STATES**  
17 **SHAREHOLDERS.**

18 “(a) *IN GENERAL.*—*In the case of any foreign con-*  
19 *trolled United States shareholder of a foreign controlled for-*  
20 *eign corporation—*

21 “(1) *this subpart (other than sections 951A,*  
22 *951(b), 957, and 965) shall be applied with respect to*  
23 *such shareholder (separately from, and in addition to,*  
24 *the application of this subpart without regard to this*  
25 *section)—*

1           “(A) by substituting ‘foreign controlled  
2           United States shareholder’ for ‘United States  
3           shareholder’ each place it appears therein, and

4           “(B) by substituting ‘foreign controlled for-  
5           eign corporation’ for ‘controlled foreign corpora-  
6           tion’ each place it appears therein, and

7           “(2) sections 951A and 965 shall be applied with  
8           respect to such shareholder —

9           “(A) by treating each reference to ‘United  
10           States shareholder’ in such sections as including  
11           a reference to such shareholder, and

12           “(B) by treating each reference to ‘con-  
13           trolled foreign corporation’ in such sections as  
14           including a reference to such foreign controlled  
15           foreign corporation.

16           “(b) *FOREIGN CONTROLLED UNITED STATES SHARE-*  
17           *HOLDER.*—For purposes of this section, the term ‘foreign  
18           controlled United States shareholder’ means, with respect  
19           to any foreign corporation, any United States person which  
20           would be a United States shareholder with respect to such  
21           foreign corporation if—

22           “(1) section 951(b) were applied by substituting  
23           ‘more than 50 percent’ for ‘10 percent or more’, and

24           “(2) section 958(b) were applied without regard  
25           to paragraph (4) thereof.

1       “(c) *FOREIGN CONTROLLED FOREIGN CORPORA-*  
2 *TION.*—For purposes of this section, the term ‘foreign con-  
3 trolled foreign corporation’ means a foreign corporation,  
4 other than a controlled foreign corporation, which would  
5 be a controlled foreign corporation if section 957(a) were  
6 applied—

7               “(1) by substituting ‘foreign controlled United  
8 States shareholders’ for ‘United States shareholders’,  
9 and

10              “(2) by substituting ‘section 958(b) (other than  
11 paragraph (4) thereof)’ for ‘section 958(b)’.

12       “(d) *REGULATIONS.*—The Secretary shall prescribe  
13 such regulations or other guidance as may be necessary or  
14 appropriate to carry out the purposes of this section, in-  
15 cluding regulations or other guidance—

16              “(1) to treat a foreign controlled United States  
17 shareholder or a foreign controlled foreign corporation  
18 as a United States shareholder or as a controlled for-  
19 eign corporation, respectively, for purposes of provi-  
20 sions of this title other than this subpart, and

21              “(2) to prevent the avoidance of the purposes of  
22 this section.”.

23              (3) The amendments made by paragraphs (1)  
24 and (2) shall apply to—

1           (A) the last taxable year of foreign corpora-  
2           tions beginning before January 1, 2018, and  
3           each subsequent taxable year of such foreign cor-  
4           porations, and

5           (B) taxable years of United States persons  
6           in which or with which such taxable years of for-  
7           eign corporations end.

8           (g) *EFFECTIVE DATES.*—Except as otherwise provided  
9           in this section, the amendments made by this section shall  
10          take effect as if included in the provision of Public Law  
11          115-97 to which they relate.

12       **SEC. 502. CLARIFICATION OF TREATMENT OF VETERANS AS**  
13                               **SPECIFIED GROUP FOR PURPOSES OF THE**  
14                               **LOW-INCOME HOUSING TAX CREDIT.**

15          For purposes of section 42(g)(9)(B) of the Internal  
16          Revenue Code of 1986, veterans shall not fail to be treated  
17          as a specified group under a Federal program.

18       **SEC. 503. CLARIFICATION OF GENERAL PUBLIC USE RE-**  
19                               **QUIREMENT FOR QUALIFIED RESIDENTIAL**  
20                               **RENTAL PROJECTS.**

21          (a) *IN GENERAL.*—Section 142(d)(2) is amended by  
22          adding at the end the following new subparagraph:

23                               “(F) *CLARIFICATION OF GENERAL PUBLIC USE*  
24                               *REQUIREMENT.*—Rules similar to the rules of section  
25                               42(g)(9) shall apply for purposes of this subsection.”.

1       (b) *EFFECTIVE DATE.*—*The amendment made by this*  
2 *section shall apply to bonds issued before, on, or after the*  
3 *date of enactment of this Act.*

4 **SEC. 504. FLOOR PLAN FINANCING APPLICABLE TO CER-**  
5 **TAIN TRAILERS AND CAMPERS.**

6       (a) *IN GENERAL.*—*Section 163(j)(9)(C) is amended by*  
7 *adding at the end the following new flush sentence:*

8               *“Such term shall include any trailer or camper*  
9 *which is designed to provide temporary living*  
10 *quarters for recreational, camping, travel, or sea-*  
11 *sonal use and is designed to be towed by, or af-*  
12 *fixed to, a motor vehicle.”.*

13       (b) *EFFECTIVE DATE.*—*The amendment made by this*  
14 *section shall apply to taxable years beginning after Decem-*  
15 *ber 31, 2017.*

16 **SEC. 505. REPEAL OF INCREASE IN UNRELATED BUSINESS**  
17 **TAXABLE INCOME BY DISALLOWED FRINGE.**

18       (a) *IN GENERAL.*—*Section 512(a) is amended by strik-*  
19 *ing paragraph (7).*

20       (b) *EFFECTIVE DATE.*—*The amendment made by this*  
21 *section shall take effect as if included in section 13703 of*  
22 *Public Law 115-97.*

1 **SEC. 506. CERTAIN PURCHASES OF EMPLOYEE-OWNED**  
2 **STOCK DISREGARDED FOR PURPOSES OF**  
3 **FOUNDATION TAX ON EXCESS BUSINESS**  
4 **HOLDINGS.**

5 (a) *IN GENERAL.*—Section 4943(c)(4)(A) is amended  
6 by adding at the end the following new clause:

7 “(v) *CERTAIN PURCHASES OF EM-*  
8 *PLOYEE-OWNED STOCK DISREGARDED.*—For  
9 purposes of clause (i), subparagraph (D),  
10 and paragraph (2), any voting stock  
11 which—

12 “(I) *is not readily tradable on an*  
13 *established securities market,*

14 “(II) *is purchased by the business*  
15 *enterprise on or after January 1, 2005,*  
16 *from a stock bonus or profit sharing*  
17 *plan described in section 401(a) in*  
18 *which employees of such business enter-*  
19 *prise participate, in connection with a*  
20 *distribution from such plan, and*

21 “(III) *is held by the business en-*  
22 *terprise as treasury stock, cancelled, or*  
23 *retired,*

24 *shall be treated as outstanding voting stock,*  
25 *but only to the extent so treating such stock*  
26 *would not result in permitted holdings ex-*

1           *ceeding 49 percent (determined without re-*  
2           *gard to this clause). The preceding sentence*  
3           *shall not apply with respect to the purchase*  
4           *of stock from a plan during the 10-year pe-*  
5           *riod beginning on the date the plan is estab-*  
6           *lished.”*

7           **(b) EFFECTIVE DATE.—**

8           **(1) IN GENERAL.—***The amendments made by*  
9           *this section shall apply to taxable years ending after*  
10          *the date of enactment of this Act and to purchases by*  
11          *a business enterprise of voting stock in taxable years*  
12          *beginning before, on, or after the date of enactment of*  
13          *this Act.*

14          **(2) SPECIAL RULE FOR GRANDFATHERED FOUN-**  
15          **DATIONS IN CASE OF DECREASE IN OWNERSHIP BY**  
16          **REASON OF PRE-ENACTMENT PURCHASES.—***Section*  
17          *4943(c)(4)(A)(ii) of the Internal Revenue Code of*  
18          *1986 shall not apply with respect to any decrease in*  
19          *the percentage of holdings in a business enterprise by*  
20          *reason of section 4943(c)(4)(A)(v) of such Code (as*  
21          *added by this section).*

1 **SEC. 507. ALLOWING 501(c)(3) ORGANIZATION TO MAKE**  
2 **STATEMENTS RELATING TO POLITICAL CAM-**  
3 **PAIGN IN ORDINARY COURSE OF CARRYING**  
4 **OUT ITS TAX EXEMPT PURPOSE.**

5 (a) *IN GENERAL.*—Section 501 of the Internal Revenue  
6 Code of 1986 is amended by adding at the end the following  
7 new subsection:

8 “(s) *SPECIAL RULE RELATING TO POLITICAL CAM-*  
9 *PAIGN STATEMENTS OF ORGANIZATION DESCRIBED IN SUB-*  
10 *SECTION (c)(3).*—

11 “(1) *IN GENERAL.*—For purposes of subsection  
12 (c)(3) and sections 170(c)(2), 2055, 2106, 2522, and  
13 4955, an organization shall not fail to be treated as  
14 organized and operated exclusively for a purpose de-  
15 scribed in subsection (c)(3), nor shall it be deemed to  
16 have participated in, or intervened in any political  
17 campaign on behalf of (or in opposition to) any can-  
18 didate for public office, solely because of the content  
19 of any statement which—

20 “(A) is made in the ordinary course of the  
21 organization’s regular and customary activities  
22 in carrying out its exempt purpose, and

23 “(B) results in the organization incurring  
24 not more than *de minimis* incremental ex-  
25 penses.”.



1       (b) *EFFECTIVE DATE.*—*The amendments made by this*  
2 *section shall apply to taxable years ending after the date*  
3 *of the enactment of this Act.*

4 **SEC. 508. CHARITABLE ORGANIZATIONS PERMITTED TO**  
5                   **MAKE COLLEGIATE HOUSING AND INFRA-**  
6                   **STRUCTURE GRANTS.**

7       (a) *IN GENERAL.*—*Section 501, as amended by the*  
8 *preceding provisions of this Act, is amended by adding at*  
9 *the end the following new subsection:*

10       “(t) *TREATMENT OF ORGANIZATIONS MAKING COLLE-*  
11 *GIATE HOUSING AND INFRASTRUCTURE IMPROVEMENT*  
12 *GRANTS.*—

13               “(1) *IN GENERAL.*—*For purposes of subsection*  
14 *(c)(3) and sections 170(c)(2)(B), 2055(a)(2), and*  
15 *2522(a)(2), an organization shall not fail to be treat-*  
16 *ed as organized and operated exclusively for chari-*  
17 *table or educational purposes solely because such or-*  
18 *ganization makes collegiate housing and infrastruc-*  
19 *ture grants to an organization described in subsection*  
20 *(c)(7) which applies the grant to its collegiate housing*  
21 *property.*

22               “(2) *HOUSING AND INFRASTRUCTURE GRANTS.*—  
23 *For purposes of paragraph (1), collegiate housing and*  
24 *infrastructure grants are grants to provide, improve,*  
25 *operate, or maintain collegiate housing property that*

1     *may involve more than incidental social, recreational,*  
2     *or private purposes, so long as such grants are for*  
3     *purposes that would be permissible for a dormitory or*  
4     *other residential facility of the college or university*  
5     *with which the collegiate housing property is associ-*  
6     *ated. A grant shall not be treated as a collegiate hous-*  
7     *ing and infrastructure grant for purposes of para-*  
8     *graph (1) to the extent that such grant is used to pro-*  
9     *vide physical fitness facilities.*

10           “(3) *COLLEGIATE HOUSING PROPERTY.*—*For*  
11     *purposes of this subsection, collegiate housing prop-*  
12     *erty is property in which, at the time of a grant or*  
13     *following the acquisition, lease, construction, or modi-*  
14     *fication of such property using such grant, substan-*  
15     *tially all of the residents are full-time students at the*  
16     *college or university in the community where such*  
17     *property is located.*

18           “(4) *GRANTS TO CERTAIN ORGANIZATIONS HOLD-*  
19     *ING TITLE TO PROPERTY, ETC.*—*For purposes of this*  
20     *subsection, a collegiate housing and infrastructure*  
21     *grant to an organization described in subsection*  
22     *(c)(2) or (c)(7) holding title to property exclusively*  
23     *for the benefit of an organization described in sub-*  
24     *section (c)(7) shall be considered a grant to the orga-*

1       nization described in subsection (c)(7) for whose ben-  
2       efit such property is held.”.

3       (b) *EFFECTIVE DATE.*—The amendment made by this  
4       section shall apply to grants made in taxable years ending  
5       after the date of the enactment of this Act.

6       **SEC. 509. RESTRICTION ON REGULATION OF CONTINGENCY**  
7                               **FEES WITH RESPECT TO TAX RETURNS, ETC.**

8       The Secretary of the Treasury may not regulate, pro-  
9       hibit, or restrict the use of a contingent fee in connection  
10      with tax returns, claims for refund, or documents in connec-  
11      tion with tax returns or claims for refund prepared on be-  
12      half of a taxpayer.

13      ***DIVISION B—TAXPAYER FIRST***  
14                               ***ACT OF 2018***

15      **SECTION 1. SHORT TITLE; ETC.**

16      (a) *SHORT TITLE.*—This division may be cited as the  
17      “Taxpayer First Act of 2018”.

18      (b) *AMENDMENT OF 1986 CODE.*—Except as otherwise  
19      expressly provided, whenever in this division an amend-  
20      ment or repeal is expressed in terms of an amendment to,  
21      or repeal of, a section or other provision, the reference shall  
22      be considered to be made to a section or other provision  
23      of the Internal Revenue Code of 1986.

24      (c) *TABLE OF CONTENTS.*—The table of contents for  
25      this division is as follows:

*Sec. 1. Short title; etc.*

*TITLE I—PUTTING TAXPAYERS FIRST**Subtitle A—Independent Appeals Process*

*Sec. 1001. Establishment of Internal Revenue Service Independent Office of Appeals.*

*Subtitle B—Improved Service*

*Sec. 1101. Comprehensive customer service strategy.*  
*Sec. 1102. IRS Free File Program.*  
*Sec. 1103. Low-income exception for payments otherwise required in connection with a submission of an offer-in-compromise.*

*Subtitle C—Sensible Enforcement*

*Sec. 1201. Internal Revenue Service seizure requirements with respect to structuring transactions.*  
*Sec. 1202. Exclusion of interest received in action to recover property seized by the Internal Revenue Service based on structuring transaction.*  
*Sec. 1203. Clarification of equitable relief from joint liability.*  
*Sec. 1204. Modification of procedures for issuance of third-party summons.*  
*Sec. 1205. Private debt collection and special compliance personnel program.*  
*Sec. 1206. Reform of notice of contact of third parties.*  
*Sec. 1207. Modification of authority to issue designated summons.*  
*Sec. 1208. Limitation on access of non-Internal Revenue Service employees to returns and return information.*

*Subtitle D—Organizational Modernization*

*Sec. 1301. Office of the National Taxpayer Advocate.*  
*Sec. 1302. Modernization of Internal Revenue Service organizational structure.*

*Subtitle E—Other Provisions*

*Sec. 1401. Return preparation programs for applicable taxpayers.*  
*Sec. 1402. Provision of information regarding low-income taxpayer clinics.*  
*Sec. 1403. Notice from IRS regarding closure of taxpayer assistance centers.*  
*Sec. 1404. Rules for seizure and sale of perishable goods restricted to only perishable goods.*  
*Sec. 1405. Whistleblower reforms.*  
*Sec. 1406. Customer service information.*  
*Sec. 1407. Misdirected tax refund deposits.*

*TITLE II—21ST CENTURY IRS**Subtitle A—Cybersecurity and Identity Protection*

*Sec. 2001. Public-private partnership to address identity theft refund fraud.*  
*Sec. 2002. Recommendations of Electronic Tax Administration Advisory Committee regarding identity theft refund fraud.*  
*Sec. 2003. Information sharing and analysis center.*  
*Sec. 2004. Compliance by contractors with confidentiality safeguards.*  
*Sec. 2005. Report on electronic payments.*  
*Sec. 2006. Identity protection personal identification numbers.*  
*Sec. 2007. Single point of contact for tax-related identity theft victims.*  
*Sec. 2008. Notification of suspected identity theft.*  
*Sec. 2009. Guidelines for stolen identity refund fraud cases.*

*Sec. 2010. Increased penalty for improper disclosure or use of information by preparers of returns.*

*Subtitle B—Development of Information Technology*

*Sec. 2101. Management of Internal Revenue Service information technology.*

*Sec. 2102. Development of online accounts and portals.*

*Sec. 2103. Internet platform for Form 1099 filings.*

*Sec. 2104. Streamlined critical pay authority for information technology positions.*

*Subtitle C—Modernization of Consent-based Income Verification System*

*Sec. 2201. Disclosure of taxpayer information for third-party income verification.*

*Sec. 2202. Limit redisclosures and uses of consent-based disclosures of tax return information.*

*Subtitle D—Expanded Use of Electronic Systems*

*Sec. 2301. Electronic filing of returns.*

*Sec. 2302. Uniform standards for the use of electronic signatures for disclosure authorizations to, and other authorizations of, practitioners.*

*Sec. 2303. Payment of taxes by debit and credit cards.*

*Sec. 2304. Requirement that electronically prepared paper returns include scannable code.*

*Sec. 2305. Authentication of users of electronic services accounts.*

*Subtitle E—Other Provisions*

*Sec. 2401. Repeal of provision regarding certain tax compliance procedures and reports.*

*Sec. 2402. Comprehensive training strategy.*

**TITLE III—MISCELLANEOUS PROVISIONS**

*Subtitle A—Reform of Laws Governing Internal Revenue Service Employees*

*Sec. 3001. Electronic record retention.*

*Sec. 3002. Prohibition on rehiring any employee of the Internal Revenue Service who was involuntarily separated from service for misconduct.*

*Sec. 3003. Notification of unauthorized inspection or disclosure of returns and return information.*

*Subtitle B—Provisions Relating to Exempt Organizations*

*Sec. 3101. Mandatory e-filing by exempt organizations.*

*Sec. 3102. Notice required before revocation of tax exempt status for failure to file return.*

*Subtitle C—Tax Court*

*Sec. 3301. Disqualification of judge or magistrate judge of the Tax Court.*

*Sec. 3302. Opinions and judgments.*

*Sec. 3303. Title of special trial judge changed to magistrate judge of the Tax Court.*

*Sec. 3304. Repeal of deadwood related to Board of Tax Appeals.*

1 **TITLE I—PUTTING TAXPAYERS**  
2 **FIRST**  
3 **Subtitle A—Independent Appeals**  
4 **Process**

5 **SEC. 1001. ESTABLISHMENT OF INTERNAL REVENUE SERV-**  
6 **ICE INDEPENDENT OFFICE OF APPEALS.**

7 (a) *IN GENERAL.*—Section 7803 is amended by adding  
8 *at the end the following new subsection:*

9 “(e) *INDEPENDENT OFFICE OF APPEALS.*—

10 “(1) *ESTABLISHMENT.*—*There is established in*  
11 *the Internal Revenue Service an office to be known as*  
12 *the ‘Internal Revenue Service Independent Office of*  
13 *Appeals’.*

14 “(2) *CHIEF OF APPEALS.*—

15 “(A) *IN GENERAL.*—*The Internal Revenue*  
16 *Service Independent Office of Appeals shall be*  
17 *under the supervision and direction of an official*  
18 *to be known as the ‘Chief of Appeals’. The Chief*  
19 *of Appeals shall report directly to the Commis-*  
20 *sioner of the Internal Revenue Service and shall*  
21 *be entitled to compensation at the same rate as*  
22 *the highest rate of basic pay established for the*  
23 *Senior Executive Service under section 5382 of*  
24 *title 5, United States Code.*

1           “(B) *APPOINTMENT.*—*The Chief of Appeals*  
2           *shall be appointed by the Commissioner of the*  
3           *Internal Revenue Service without regard to the*  
4           *provisions of title 5, United States Code, relating*  
5           *to appointments in the competitive service or the*  
6           *Senior Executive Service.*

7           “(C) *QUALIFICATIONS.*—*An individual ap-*  
8           *pointed under subparagraph (B) shall have expe-*  
9           *rience and expertise in—*

10                   “(i) *administration of, and compliance*  
11                   *with, Federal tax laws,*

12                   “(ii) *a broad range of compliance*  
13                   *cases, and*

14                   “(iii) *management of large service or-*  
15                   *ganizations.*

16           “(3) *PURPOSES AND DUTIES OF OFFICE.*—*It*  
17           *shall be the function of the Internal Revenue Service*  
18           *Independent Office of Appeals to resolve Federal tax*  
19           *controversies without litigation on a basis which—*

20                   “(A) *is fair and impartial to both the Gov-*  
21                   *ernment and the taxpayer,*

22                   “(B) *promotes a consistent application and*  
23                   *interpretation of, and voluntary compliance*  
24                   *with, the Federal tax laws, and*

1           “(C) enhances public confidence in the in-  
2           tegrity and efficiency of the Internal Revenue  
3           Service.

4           “(4) *RIGHT OF APPEAL.*—The resolution process  
5           described in paragraph (3) shall be generally avail-  
6           able to all taxpayers.

7           “(5) *LIMITATION ON DESIGNATION OF CASES AS*  
8           *NOT ELIGIBLE FOR REFERRAL TO INDEPENDENT OF-*  
9           *FICE OF APPEALS.*—

10           “(A) *IN GENERAL.*—If any taxpayer which  
11           is in receipt of a notice of deficiency authorized  
12           under section 6212 requests referral to the Inter-  
13           nal Revenue Service Independent Office of Ap-  
14           peals and such request is denied, the Commis-  
15           sioner of the Internal Revenue Service shall pro-  
16           vide such taxpayer a written notice which—

17           “(i) provides a detailed description of  
18           the facts involved, the basis for the decision  
19           to deny the request, and a detailed expla-  
20           nation of how the basis of such decision ap-  
21           plies to such facts, and

22           “(ii) describes the procedures pre-  
23           scribed under subparagraph (C) for pro-  
24           testing the decision to deny the request.



1           “(B) *REPORT TO CONGRESS.*—*The Commis-*  
2           *sioner of the Internal Revenue Service shall sub-*  
3           *mit a written report to Congress on an annual*  
4           *basis which includes the number of requests de-*  
5           *scribed in subparagraph (A) which were denied*  
6           *and the reasons (described by category) that such*  
7           *requests were denied.*

8           “(C) *PROCEDURES FOR PROTESTING DE-*  
9           *NIAL OF REQUEST.*—*The Commissioner of the*  
10          *Internal Revenue Service shall prescribe proce-*  
11          *dures for protesting to the Commissioner of the*  
12          *Internal Revenue Service a denial of a request*  
13          *described in subparagraph (A).*

14          “(D) *NOT APPLICABLE TO FRIVOLOUS POSI-*  
15          *TIONS.*—*This paragraph shall not apply to a re-*  
16          *quest for referral to the Internal Revenue Service*  
17          *Independent Office of Appeals which is denied on*  
18          *the basis that the issue involved is a frivolous po-*  
19          *sition (within the meaning of section 6702(c)).*

20          “(6) *STAFF.*—

21                 “(A) *IN GENERAL.*—*All personnel in the In-*  
22                 *ternal Revenue Service Independent Office of Ap-*  
23                 *peals shall report to the Chief of Appeals.*

24                 “(B) *ACCESS TO STAFF OF OFFICE OF THE*  
25                 *CHIEF COUNSEL.*—*The Chief of Appeals shall*

1           *have authority to obtain legal assistance and ad-*  
2           *vice from the staff of the Office of the Chief*  
3           *Counsel. The Chief Counsel shall ensure that*  
4           *such assistance and advice is provided by staff of*  
5           *the Office of the Chief Counsel who were not in-*  
6           *olved in the case with respect to which such as-*  
7           *istance and advice is sought and who are not*  
8           *involved in preparing such case for litigation.*

9           “(7) *ACCESS TO CASE FILES.*—

10           “(A) *IN GENERAL.*—*In any case in which a*  
11           *conference with the Internal Revenue Service*  
12           *Independent Office of Appeals has been scheduled*  
13           *upon request of a specified taxpayer, the Chief of*  
14           *Appeals shall ensure that such taxpayer is pro-*  
15           *vided access to the nonprivileged portions of the*  
16           *case file on record regarding the disputed issues*  
17           *(other than documents provided by the taxpayer*  
18           *to the Internal Revenue Service) not later than*  
19           *10 days before the date of such conference.*

20           “(B) *TAXPAYER ELECTION TO EXPEDITE*  
21           *CONFERENCE.*—*If the taxpayer so elects, sub-*  
22           *paragraph (A) shall be applied by substituting*  
23           *‘the date of such conference’ for ‘10 days before*  
24           *the date of such conference’.*

1           “(C) *SPECIFIED TAXPAYER.*—*For purposes*  
2           *of this paragraph—*

3                   “(i) *IN GENERAL.*—*The term ‘specified*  
4                   *taxpayer’ means—*

5                           “(I) *in the case of any taxpayer*  
6                           *who is a natural person, a taxpayer*  
7                           *whose adjusted gross income does not*  
8                           *exceed \$400,000 for the taxable year to*  
9                           *which the dispute relates, and*

10                           “(II) *in the case of any other tax-*  
11                           *payer, a taxpayer whose gross receipts*  
12                           *do not exceed \$5,000,000 for the tax-*  
13                           *able year to which the dispute relates.*

14                           “(ii) *AGGREGATION RULE.*—*Rules*  
15                           *similar to the rules of section 448(c)(2)*  
16                           *shall apply for purposes of clause (i)(II).”.*

17           (b) *CONFORMING AMENDMENTS.*—

18                   (1) *The following provisions are each amended*  
19                   *by striking “Internal Revenue Service Office of Ap-*  
20                   *peals” and inserting “Internal Revenue Service Inde-*  
21                   *pendent Office of Appeals”:*

22                           (A) *Section 6015(c)(4)(B)(ii)(I).*

23                           (B) *Section 6320(b)(1).*

24                           (C) *Subsections (b)(1) and (d)(3) of section*

25                   6330.

1                   (D) Section 6603(d)(3)(B).

2                   (E) Section 6621(c)(2)(A)(i).

3                   (F) Section 7122(e)(2).

4                   (G) Subsections (a), (b)(1), (b)(2), and  
5                   (c)(1) of section 7123.

6                   (H) Subsections (c)(7)(B)(i), and (g)(2)(A)  
7                   of section 7430.

8                   (I) Section 7522(b)(3).

9                   (J) Section 7612(c)(2)(A).

10                  (2) Section 7430(c)(2) is amended by striking  
11                  “Internal Revenue Service Office of Appeals” each  
12                  place it appears and inserting “Internal Revenue  
13                  Service Independent Office of Appeals”.

14                  (3) The heading of section 6330(d)(3) is amended  
15                  by inserting “INDEPENDENT” after “IRS”.

16                  (c) OTHER REFERENCES.—Any reference in any pro-  
17                  vision of law, or regulation or other guidance, to the Inter-  
18                  nal Revenue Service Office of Appeals shall be treated as  
19                  a reference to the Internal Revenue Service Independent Of-  
20                  fice of Appeals.

21                  (d) SAVINGS PROVISIONS.—Rules similar to the rules  
22                  of paragraphs (2) through (6) of section 1001(b) of the In-  
23                  ternal Revenue Service Restructuring and Reform Act of  
24                  1998 shall apply for purposes of this section (and the  
25                  amendments made by this section).

1       (e) *EFFECTIVE DATE.*—

2               (1) *IN GENERAL.*—*Except as otherwise provided*  
3 *in this subsection, the amendments made by this sec-*  
4 *tion shall take effect on the date of the enactment of*  
5 *this Act.*

6               (2) *ACCESS TO CASE FILES.*—*Section 7803(e)(7)*  
7 *of the Internal Revenue Code of 1986, as added by*  
8 *subsection (a), shall apply to conferences occurring*  
9 *after the date which is 1 year after the date of the en-*  
10 *actment of this Act.*

11       ***Subtitle B—Improved Service***

12 ***SEC. 1101. COMPREHENSIVE CUSTOMER SERVICE STRAT-***  
13 ***EGY.***

14       (a) *IN GENERAL.*—*Not later than the date which is*  
15 *1 year after the date of the enactment of this Act, the Sec-*  
16 *retary of the Treasury shall submit to Congress a written*  
17 *comprehensive customer service strategy for the Internal*  
18 *Revenue Service. Such strategy shall include—*

19               (1) *a plan to provide assistance to taxpayers*  
20 *that is secure, designed to meet reasonable taxpayer*  
21 *expectations, and adopts appropriate best practices of*  
22 *customer service provided in the private sector, in-*  
23 *cluding online services, telephone call back services,*  
24 *and training of employees providing customer serv-*  
25 *ices,*

1           (2) a thorough assessment of the services that the  
2        *Internal Revenue Service can co-locate with other*  
3        *Federal services or offer as self-service options,*

4           (3) proposals to improve *Internal Revenue Serv-*  
5        *ice customer service in the short term (the current*  
6        *and following fiscal year), medium term (approximi-*  
7        *mately 3 to 5 fiscal years), and long term (approximi-*  
8        *mately 10 fiscal years),*

9           (4) a plan to update guidance and training ma-  
10        *terials for customer service employees of the Internal*  
11        *Revenue Service, including the Internal Revenue*  
12        *Manual, to reflect such strategy, and*

13           (5) identified metrics and benchmarks for quan-  
14        *titatively measuring the progress of the Internal Rev-*  
15        *enue Service in implementing such strategy.*

16        (b) *UPDATED GUIDANCE AND TRAINING MATE-*  
17        *RIALS.—Not later than 2 years after the date of the enact-*  
18        *ment of this Act, the Secretary of the Treasury (or the Sec-*  
19        *retary’s delegate) shall make available the updated guidance*  
20        *and training materials described in subsection (a)(4) (in-*  
21        *cluding the Internal Revenue Manual). Such updated guid-*  
22        *ance and training materials (including the Internal Rev-*  
23        *enue Manual) shall be written in a manner so as to be eas-*  
24        *ily understood by customer service employees of the Internal*  
25        *Revenue Service and shall provide clear instructions.*

1 **SEC. 1102. IRS FREE FILE PROGRAM.**

2 (a) *IN GENERAL.*—

3 (1) *The Secretary of the Treasury, or the Sec-*  
4 *retary's delegate, shall continue to operate the IRS*  
5 *Free File Program as established by the Internal Rev-*  
6 *enue Service and published in the Federal Register on*  
7 *November 4, 2002 (67 Fed. Reg. 67247), including*  
8 *any subsequent agreements and governing rules estab-*  
9 *lished pursuant thereto.*

10 (2) *The IRS Free File Program shall continue to*  
11 *provide free commercial-type online individual in-*  
12 *come tax preparation and electronic filing services to*  
13 *the lowest 70 percent of taxpayers by adjusted gross*  
14 *income. The number of taxpayers eligible to receive*  
15 *such services each year shall be calculated by the In-*  
16 *ternal Revenue Service annually based on prior year*  
17 *aggregate taxpayer adjusted gross income data.*

18 (3) *In addition to the services described in para-*  
19 *graph (2), and in the same manner, the IRS Free*  
20 *File Program shall continue to make available to all*  
21 *taxpayers (without regard to income) a basic, online*  
22 *electronic fillable forms utility.*

23 (4) *The IRS Free File Program shall continue to*  
24 *work cooperatively with the private sector to provide*  
25 *the free individual income tax preparation and the*

1       *electronic filing services described in paragraphs (2)*  
2       *and (3).*

3               *(5) The IRS Free File Program shall work coop-*  
4       *eratively with State government agencies to enhance*  
5       *and expand the use of the program to provide needed*  
6       *benefits to the taxpayer while reducing the cost of*  
7       *processing returns.*

8       *(b) INNOVATIONS.—The Secretary of the Treasury, or*  
9       *the Secretary’s delegate, shall work with the private sector*  
10       *through the IRS Free File Program to identify and imple-*  
11       *ment, consistent with applicable law, innovative new pro-*  
12       *gram features to improve and simplify the taxpayer’s expe-*  
13       *rience with completing and filing individual income tax re-*  
14       *turns through voluntary compliance.*

15       **SEC. 1103. LOW-INCOME EXCEPTION FOR PAYMENTS OTH-**  
16                        **ERWISE REQUIRED IN CONNECTION WITH A**  
17                        **SUBMISSION OF AN OFFER-IN-COMPROMISE.**

18       *(a) IN GENERAL.—Section 7122(c) is amended by add-*  
19       *ing at the end the following new paragraph:*

20                “(3)    **EXCEPTION FOR LOW-INCOME TAX-**  
21        **PAYERS.—***Paragraph (1), and any user fee otherwise*  
22        *required in connection with the submission of an*  
23        *offer-in-compromise, shall not apply to any offer-in-*  
24        *compromise with respect to a taxpayer who is an in-*  
25        *dividual with adjusted gross income, as determined*



1       for the most recent taxable year for which such infor-  
 2       mation is available, which does not exceed 250 per-  
 3       cent of the applicable poverty level (as determined by  
 4       the Secretary).”.

5       (b) *EFFECTIVE DATE.*—The amendment made by this  
 6       section shall apply to offers-in-compromise submitted after  
 7       the date of the enactment of this Act.

## 8       ***Subtitle C—Sensible Enforcement***

### 9       ***SEC. 1201. INTERNAL REVENUE SERVICE SEIZURE RE-*** 10       ***QUIREMENTS WITH RESPECT TO STRUC-*** 11       ***TURING TRANSACTIONS.***

12       Section 5317(c)(2) of title 31, United States Code, is  
 13       amended—

14               (1) by striking “Any property” and inserting the  
 15       following:

16                       “(A) *IN GENERAL.*—Any property”; and

17               (2) by adding at the end the following:

18                       “(B) *INTERNAL REVENUE SERVICE SEIZURE*  
 19       *REQUIREMENTS WITH RESPECT TO STRUCTURING*  
 20       *TRANSACTIONS.*—

21                               “(i) *PROPERTY DERIVED FROM AN IL-*  
 22       *LEGAL SOURCE.*—Property may only be  
 23       seized by the Internal Revenue Service pur-  
 24       suant to subparagraph (A) by reason of a  
 25       claimed violation of section 5324 if the

1           *property to be seized was derived from an*  
2           *illegal source or the funds were structured*  
3           *for the purpose of concealing the violation of*  
4           *a criminal law or regulation other than sec-*  
5           *tion 5324.*

6           “(ii) *NOTICE.*—*Not later than 30 days*  
7           *after property is seized by the Internal Rev-*  
8           *enue Service pursuant to subparagraph (A),*  
9           *the Internal Revenue Service shall—*

10                   “(I) *make a good faith effort to*  
11                   *find all persons with an ownership in-*  
12                   *terest in such property; and*

13                   “(II) *provide each such person so*  
14                   *found with a notice of the seizure and*  
15                   *of the person’s rights under clause (iv).*

16           “(iii) *EXTENSION OF NOTICE UNDER*  
17           *CERTAIN CIRCUMSTANCES.*—*The Internal*  
18           *Revenue Service may apply to a court of*  
19           *competent jurisdiction for one 30-day exten-*  
20           *sion of the notice requirement under clause*  
21           *(ii) if the Internal Revenue Service can es-*  
22           *tablish probable cause of an imminent*  
23           *threat to national security or personal safe-*  
24           *ty necessitating such extension.*

1                   “(iv) *POST-SEIZURE HEARING.*—If a  
2                   person with an ownership interest in prop-  
3                   erty seized pursuant to subparagraph (A)  
4                   by the Internal Revenue Service requests a  
5                   hearing by a court of competent jurisdiction  
6                   within 30 days after the date on which no-  
7                   tice is provided under subclause (ii), such  
8                   property shall be returned unless the court  
9                   holds an adversarial hearing and finds  
10                  within 30 days of such request (or such  
11                  longer period as the court may provide, but  
12                  only on request of an interested party) that  
13                  there is probable cause to believe that there  
14                  is a violation of section 5324 involving such  
15                  property and probable cause to believe that  
16                  the property to be seized was derived from  
17                  an illegal source or the funds were struc-  
18                  tured for the purpose of concealing the vio-  
19                  lation of a criminal law or regulation other  
20                  than section 5324.”.

1 **SEC. 1202. EXCLUSION OF INTEREST RECEIVED IN ACTION**  
2 **TO RECOVER PROPERTY SEIZED BY THE IN-**  
3 **TERNAL REVENUE SERVICE BASED ON**  
4 **STRUCTURING TRANSACTION.**

5 (a) *IN GENERAL.*—Part III of subchapter B of chapter  
6 1 is amended by inserting before section 140 the following  
7 new section:

8 **“SEC. 139H. INTEREST RECEIVED IN ACTION TO RECOVER**  
9 **PROPERTY SEIZED BY THE INTERNAL REV-**  
10 **ENUE SERVICE BASED ON STRUCTURING**  
11 **TRANSACTION.**

12 “Gross income shall not include any interest received  
13 from the Federal Government in connection with an action  
14 to recover property seized by the Internal Revenue Service  
15 pursuant to section 5317(c)(2) of title 31, United States  
16 Code, by reason of a claimed violation of section 5324 of  
17 such title.”.

18 (b) *CLERICAL AMENDMENT.*—The table of sections for  
19 part III of subchapter B of chapter 1 is amended by insert-  
20 ing before the item relating to section 140 the following new  
21 item:

“Sec. 139H. Interest received in action to recover property seized by the Internal  
Revenue Service based on structuring transaction.”.

22 (c) *EFFECTIVE DATE.*—The amendments made by this  
23 section shall apply to interest received on or after the date  
24 of the enactment of this Act.

1 **SEC. 1203. CLARIFICATION OF EQUITABLE RELIEF FROM**  
2 **JOINT LIABILITY.**

3 (a) *IN GENERAL.*—Section 6015 is amended—

4 (1) *in subsection (e), by adding at the end the*  
5 *following new paragraph:*

6 “(7) *STANDARD AND SCOPE OF REVIEW.*—*Any*  
7 *review of a determination made under this section*  
8 *shall be reviewed de novo by the Tax Court and shall*  
9 *be based upon—*

10 “(A) *the administrative record established*  
11 *at the time of the determination, and*

12 “(B) *any additional newly discovered or*  
13 *previously unavailable evidence.”, and*

14 (2) *by amending subsection (f) to read as follows:*

15 “(f) *EQUITABLE RELIEF.*—

16 “(1) *IN GENERAL.*—*Under procedures prescribed*  
17 *by the Secretary, if—*

18 “(A) *taking into account all the facts and*  
19 *circumstances, it is inequitable to hold the indi-*  
20 *vidual liable for any unpaid tax or any defi-*  
21 *ciency (or any portion of either), and*

22 “(B) *relief is not available to such indi-*  
23 *vidual under subsection (b) or (c),*

24 *the Secretary may relieve such individual of such li-*  
25 *ability.*

1           “(2) *LIMITATION.*—A request for equitable relief  
2           under this subsection may be made with respect to  
3           any portion of any liability that—

4                   “(A) has not been paid, provided that such  
5                   request is made before the expiration of the ap-  
6                   plicable period of limitation under section 6502,  
7                   or

8                   “(B) has been paid, provided that such re-  
9                   quest is made during the period in which the in-  
10                  dividual could submit a timely claim for refund  
11                  or credit of such payment.”.

12           (b) *EFFECTIVE DATE.*—The amendments made by this  
13           section shall apply to petitions or requests filed or pending  
14           on or after the date of the enactment of this Act.

15   **SEC. 1204. MODIFICATION OF PROCEDURES FOR ISSUANCE**  
16                   **OF THIRD-PARTY SUMMONS.**

17           (a) *IN GENERAL.*—Section 7609(f) is amended by add-  
18           ing at the end the following flush sentence:

19           “The Secretary shall not issue any summons described in  
20           the preceding sentence unless the information sought to be  
21           obtained is narrowly tailored to information that pertains  
22           to the failure (or potential failure) of the person or group  
23           or class of persons referred to in paragraph (2) to comply  
24           with one or more provisions of the internal revenue law

1 *which have been identified for purposes of such para-*  
2 *graph.”.*

3       **(b) EFFECTIVE DATE.**—*The amendments made by this*  
4 *section shall apply to summonses served after the date of*  
5 *the enactment of this Act.*

6 **SEC. 1205. PRIVATE DEBT COLLECTION AND SPECIAL COM-**  
7 **PLIANCE PERSONNEL PROGRAM.**

8       **(a) CERTAIN TAX RECEIVABLES NOT ELIGIBLE FOR**  
9 **COLLECTION UNDER TAX COLLECTION CONTRACTS.**—*Sec-*  
10 *tion 6306(d)(3) is amended by striking “or” at the end of*  
11 *subparagraph (C) and by inserting after subparagraph (D)*  
12 *the following new subparagraphs:*

13               *“(E) a taxpayer substantially all of whose*  
14 *income consists of disability insurance benefits*  
15 *under section 223 of the Social Security Act or*  
16 *supplemental security income benefits under title*  
17 *XVI of the Social Security Act (including sup-*  
18 *plemental security income benefits of the type de-*  
19 *scribed in section 1616 of such Act or section 212*  
20 *of Public Law 93-66), or*

21               *“(F) a taxpayer who is an individual with*  
22 *adjusted gross income, as determined for the*  
23 *most recent taxable year for which such informa-*  
24 *tion is available, which does not exceed 200 per-*

1           *cent of the applicable poverty level (as deter-*  
2           *mined by the Secretary).”.*

3           **(b) DETERMINATION OF INACTIVE TAX RECEIVABLES**  
4 **ELIGIBLE FOR COLLECTION UNDER TAX COLLECTION CON-**  
5 **TRACTS.**—*Section 6306(c)(2)(A)(ii) is amended by striking*  
6 *“more than 1/3 of the period of the applicable statute of limi-*  
7 *tation has lapsed” and inserting “more than 2 years has*  
8 *passed since assessment”.*

9           **(c) MAXIMUM LENGTH OF INSTALLMENT AGREEMENTS**  
10 **OFFERED UNDER TAX COLLECTION CONTRACTS.**—*Section*  
11 *6306(b)(1)(B) is amended by striking “5 years” and insert-*  
12 *ing “7 years”.*

13           **(d) CLARIFICATION THAT SPECIAL COMPLIANCE PER-**  
14 **SONNEL PROGRAM ACCOUNT MAY BE USED FOR PROGRAM**  
15 **COSTS.**—

16           **(1) IN GENERAL.**—*Section 6307(b) is amended—*

17                   **(A)** *in paragraph (2), by striking all that*  
18 *follows “under such program” and inserting a*  
19 *period, and*

20                   **(B)** *in paragraph (3), by striking all that*  
21 *follows “out of such account” and inserting “for*  
22 *other than program costs”.*

23           **(2) COMMUNICATIONS, SOFTWARE, AND TECH-**  
24 **NOLOGY COSTS TREATED AS PROGRAM COSTS.**—*Sec-*  
25 *tion 6307(d)(2)(B) is amended by striking “tele-*



1 *communications” and inserting “communications,*  
2 *software, technology”.*

3 (3) *CONFORMING AMENDMENT.—Section*  
4 *6307(d)(2) is amended by striking “and” at the end*  
5 *of subparagraph (A), by striking the period at the end*  
6 *of subparagraph (B) and inserting “, and”, and by*  
7 *inserting after subparagraph (B) the following new*  
8 *subparagraph:*

9 *“(C) reimbursement of the Internal Revenue*  
10 *Service or other government agencies for the cost*  
11 *of administering the qualified tax collection pro-*  
12 *gram under section 6306.”.*

13 (e) *EFFECTIVE DATES.—*

14 (1) *IN GENERAL.—Except as otherwise provided*  
15 *in this subsection, the amendments made by this sec-*  
16 *tion shall apply to tax receivables identified by the*  
17 *Secretary (or the Secretary’s delegate) after December*  
18 *31, 2019.*

19 (2) *MAXIMUM LENGTH OF INSTALLMENT AGREE-*  
20 *MENTS.—The amendment made by subsection (c)*  
21 *shall apply to contracts entered into after the date of*  
22 *the enactment of this Act.*

23 (3) *USE OF SPECIAL COMPLIANCE PERSONNEL*  
24 *PROGRAM ACCOUNT.—The amendment made by sub-*  
25 *section (d) shall apply to amounts expended from the*

1       *special compliance personnel program account after*  
2       *the date of the enactment of this Act.*

3   **SEC. 1206. REFORM OF NOTICE OF CONTACT OF THIRD PAR-**  
4                                   **TIES.**

5       *(a) IN GENERAL.—Section 7602(c)(1) is amended to*  
6   *read as follows:*

7                   “(1) *GENERAL NOTICE.—An officer or employee*  
8       *of the Internal Revenue Service may not contact any*  
9       *person other than the taxpayer with respect to the de-*  
10      *termination or collection of the tax liability of such*  
11      *taxpayer unless such contact occurs during a period*  
12      *(not greater than 1 year) which is specified in a no-*  
13      *tice which—*

14                   “(A) *informs the taxpayer that contacts*  
15      *with persons other than the taxpayer are in-*  
16      *tended to be made during such period, and*

17                   “(B) *except as otherwise provided by the*  
18      *Secretary, is provided to the taxpayer not later*  
19      *than 45 days before the beginning of such period.*

20      *Nothing in the preceding sentence shall prevent the*  
21      *issuance of notices to the same taxpayer with respect*  
22      *to the same tax liability with periods specified therein*  
23      *that, in the aggregate, exceed 1 year. A notice shall*  
24      *not be issued under this paragraph unless there is an*  
25      *intent at the time such notice is issued to contact per-*

1        *sons other than the taxpayer during the period speci-*  
2        *fied in such notice. The preceding sentence shall not*  
3        *prevent the issuance of a notice if the requirement of*  
4        *such sentence is met on the basis of the assumption*  
5        *that the information sought to be obtained by such*  
6        *contact will not be obtained by other means before*  
7        *such contact.”.*

8        *(b) EFFECTIVE DATE.—The amendment made by this*  
9        *section shall apply to notices provided, and contacts of per-*  
10       *sons made, after the date which is 45 days after the date*  
11       *of the enactment of this Act.*

12       **SEC. 1207. MODIFICATION OF AUTHORITY TO ISSUE DES-**  
13       **IGNATED SUMMONS.**

14       *(a) IN GENERAL.—Paragraph (1) of section 6503(j) is*  
15       *amended by striking “coordinated examination program”*  
16       *and inserting “coordinated industry case program”.*

17       *(b) REQUIREMENTS FOR SUMMONS.—Clause (i) of sec-*  
18       *tion 6503(j)(2)(A) is amended to read as follows:*

19                    *“(i) the issuance of such summons is*  
20                    *preceded by a review and written approval*  
21                    *of such issuance by the Commissioner of the*  
22                    *relevant operating division of the Internal*  
23                    *Revenue Service and the Chief Counsel*  
24                    *which—*

1                   “(I) states facts clearly estab-  
2                   lishing that the Secretary has made  
3                   reasonable requests for the information  
4                   that is the subject of the summons, and  
5                   “(II) is attached to such sum-  
6                   mons.”.

7           (c) *ESTABLISHMENT THAT REASONABLE REQUESTS*  
8 *FOR INFORMATION WERE MADE.*—Subsection (j) of section  
9 6503 is amended by adding at the end the following new  
10 paragraph:

11                   “(4) *ESTABLISHMENT THAT REASONABLE RE-*  
12 *QUESTS FOR INFORMATION WERE MADE.*—In any  
13 court proceeding described in paragraph (3), the Sec-  
14 retary shall establish that reasonable requests were  
15 made for the information that is the subject of the  
16 summons.”.

17           (d) *EFFECTIVE DATE.*—The amendments made by this  
18 section shall apply to summonses issued after the date of  
19 the enactment of this Act.

20 **SEC. 1208. LIMITATION ON ACCESS OF NON-INTERNAL REV-**  
21 **ENUE SERVICE EMPLOYEES TO RETURNS AND**  
22 **RETURN INFORMATION.**

23           (a) *IN GENERAL.*—Section 7602 is amended by adding  
24 at the end the following new subsection:

1           “(f) *LIMITATION ON ACCESS OF PERSONS OTHER*  
2 *THAN INTERNAL REVENUE SERVICE OFFICERS AND EM-*  
3 *PLOYEES.—The Secretary shall not, under the authority of*  
4 *section 6103(n), provide any books, papers, records, or other*  
5 *data obtained pursuant to this section to any person au-*  
6 *thorized under section 6103(n), except when such person re-*  
7 *quires such information for the sole purpose of providing*  
8 *expert evaluation and assistance to the Internal Revenue*  
9 *Service. No person other than an officer or employee of the*  
10 *Internal Revenue Service or the Office of Chief Counsel*  
11 *may, on behalf of the Secretary, question a witness under*  
12 *oath whose testimony was obtained pursuant to this sec-*  
13 *tion.”.*

14           (b) *EFFECTIVE DATE.—The amendment made by this*  
15 *section—*

16                   (1) *shall take effect on the date of the enactment*  
17 *of this Act, and*

18                   (2) *shall not fail to apply to a contract in effect*  
19 *under section 6103(n) of the Internal Revenue Code*  
20 *of 1986 merely because such contract was in effect be-*  
21 *fore the date of the enactment of this Act.*

1                   **Subtitle D—Organizational**  
2                   **Modernization**

3 **SEC. 1301. OFFICE OF THE NATIONAL TAXPAYER ADVOCATE.**  
4                   **CATE.**

5           (a) *TAXPAYER ADVOCATE DIRECTIVES.*—

6               (1) *IN GENERAL.*—Section 7803(c) is amended  
7           by adding at the end the following new paragraph:

8               “(5) *TAXPAYER ADVOCATE DIRECTIVES.*—In the  
9           case of any Taxpayer Advocate Directive issued by  
10           the National Taxpayer Advocate pursuant to a dele-  
11           gation of authority from the Commissioner of the In-  
12           ternal Revenue Service—

13               “(A) the Commissioner or a Deputy Com-  
14           missioner shall modify, rescind, or ensure com-  
15           pliance with such directive not later than 90  
16           days after the issuance of such directive, and

17               “(B) in the case of any directive which is  
18           modified or rescinded by a Deputy Commis-  
19           sioner, the National Taxpayer Advocate may  
20           (not later than 90 days after such modification  
21           or rescission) appeal to the Commissioner and  
22           the Commissioner shall (not later than 90 days  
23           after such appeal is made) ensure compliance  
24           with such directive as issued by the National  
25           Taxpayer Advocate or provide the National Tax-



1                   “(E) *COORDINATION WITH TREASURY IN-*  
2                   *SPECTOR GENERAL FOR TAX ADMINISTRATION.—*  
3                   *Before beginning any research or study, the Na-*  
4                   *tional Taxpayer Advocate shall coordinate with*  
5                   *the Treasury Inspector General for Tax Admin-*  
6                   *istration to ensure that the National Taxpayer*  
7                   *Advocate does not duplicate any action that the*  
8                   *Treasury Inspector General for Tax Administra-*  
9                   *tion has already undertaken or has a plan to un-*  
10                   *dertake.”.*

11                   (3) *STATISTICAL SUPPORT.—*

12                   (A) *IN GENERAL.—Section 6108 is amended*  
13                   *by adding at the end the following new sub-*  
14                   *section:*

15                   “(d) *STATISTICAL SUPPORT FOR NATIONAL TAXPAYER*  
16                   *ADVOCATE.—The Secretary shall, upon request of the Na-*  
17                   *tional Taxpayer Advocate, provide the National Taxpayer*  
18                   *Advocate with statistical support in connection with the*  
19                   *preparation by the National Taxpayer Advocate of the an-*  
20                   *nual report described in section 7803(c)(2)(B)(ii). Such sta-*  
21                   *tistical support shall include statistical studies, compila-*  
22                   *tions, and the review of information provided by the Na-*  
23                   *tional Taxpayer Advocate for statistical validity and sound*  
24                   *statistical methodology.”.*



1           (B) *DISCLOSURE OF REVIEW.*—Section  
2           7803(c)(2)(B)(ii), as amended by subsection (a),  
3           is amended by redesignating subclause (XII) as  
4           subclause (XIII) and by inserting after subclause  
5           (XI) the following new subclause:

6                           “(XII) with respect to any statis-  
7                           tical information included in such re-  
8                           port, include a statement of whether  
9                           such statistical information was re-  
10                          viewed or provided by the Secretary  
11                          under section 6108(d) and, if so,  
12                          whether the Secretary determined such  
13                          information to be statistically valid  
14                          and based on sound statistical method-  
15                          ology.”.

16           (C) *CONFORMING AMENDMENT.*—Section  
17           7803(c)(2)(B)(iii) is amended by adding at the  
18           end the following: “The preceding sentence shall  
19           not apply with respect to statistical information  
20           provided to the Secretary for review, or received  
21           from the Secretary, under section 6108(d).”.

22           (c) *SALARY OF NATIONAL TAXPAYER ADVOCATE.*—Sec-  
23           tion 7803(c)(1)(B)(i) is amended by striking “, or, if the  
24           Secretary of the Treasury so determines, at a rate fixed  
25           under section 9503 of such title”.

1       (d) *EFFECTIVE DATE.*—

2           (1) *IN GENERAL.*—*Except as otherwise provided*  
3 *in this subsection, the amendments made by this sec-*  
4 *tion shall take effect on the date of the enactment of*  
5 *this Act.*

6           (2) *SALARY OF NATIONAL TAXPAYER ADVOCATE.*—*The amendment made by subsection (c) shall*  
7 *apply to compensation paid to individuals appointed*  
8 *as the National Taxpayer Advocate after the date of*  
9 *the enactment of this Act.*

11 **SEC. 1302. MODERNIZATION OF INTERNAL REVENUE SERV-**  
12 **ICE ORGANIZATIONAL STRUCTURE.**

13       (a) *IN GENERAL.*—*Not later than September 30, 2020,*  
14 *the Commissioner of the Internal Revenue Service shall sub-*  
15 *mit to Congress a comprehensive written plan to redesign*  
16 *the organization of the Internal Revenue Service. Such plan*  
17 *shall—*

18           (1) *ensure the successful implementation of the*  
19 *priorities specified by Congress in this Act,*

20           (2) *prioritize taxpayer services to ensure that all*  
21 *taxpayers easily and readily receive the assistance*  
22 *that they need,*

23           (3) *streamline the structure of the agency includ-*  
24 *ing minimizing the duplication of services and re-*  
25 *sponsibilities within the agency,*

1           (4) *best position the Internal Revenue Service to*  
 2           *combat cybersecurity and other threats to the Internal*  
 3           *Revenue Service, and*

4           (5) *address whether the Criminal Investigation*  
 5           *Division of the Internal Revenue Service should re-*  
 6           *port directly to the Commissioner.*

7           (b) *REPEAL OF RESTRICTION ON ORGANIZATIONAL*  
 8           *STRUCTURE OF INTERNAL REVENUE SERVICE.—Para-*  
 9           *graph (3) of section 1001(a) of the Internal Revenue Service*  
 10           *Restructuring and Reform Act of 1998 shall cease to apply*  
 11           *beginning 1 year after the date on which the Commissioner*  
 12           *of the Internal Revenue Service submits to Congress the*  
 13           *plan described in subsection (a).*

14           ***Subtitle E—Other Provisions***

15           ***SEC. 1401. RETURN PREPARATION PROGRAMS FOR APPLI-***  
 16           ***CABLE TAXPAYERS.***

17           (a) *IN GENERAL.—Chapter 77 is amended by insert-*  
 18           *ing after section 7526 the following new section:*

19           ***“SEC. 7526A. RETURN PREPARATION PROGRAMS FOR APPLI-***  
 20           ***CABLE TAXPAYERS.***

21           ***“(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX***  
 22           ***ASSISTANCE MATCHING GRANT PROGRAM.—The Secretary***  
 23           ***shall establish a Community Volunteer Income Tax Assist-***  
 24           ***ance Matching Grant Program under which the Secretary***  
 25           ***may, subject to the availability of appropriated funds, make***

1 *grants to provide matching funds for the development, ex-*  
2 *pansion, or continuation of qualified return preparation*  
3 *programs assisting applicable taxpayers and members of*  
4 *underserved populations.*

5       “(b) *USE OF FUNDS.—*

6               “(1) *IN GENERAL.—Qualified return preparation*  
7 *programs may use grants received under this section*  
8 *for—*

9                       “(A) *ordinary and necessary costs associ-*  
10 *ated with program operation in accordance with*  
11 *cost principles under the applicable Office of*  
12 *Management and Budget circular, including—*

13                               “(i) *wages or salaries of persons co-*  
14 *ordinating the activities of the program,*

15                               “(ii) *developing training materials,*  
16 *conducting training, and performing qual-*  
17 *ity reviews of the returns prepared under*  
18 *the program,*

19                               “(iii) *equipment purchases, and*

20                               “(iv) *vehicle-related expenses associated*  
21 *with remote or rural tax preparation serv-*  
22 *ices,*

23                       “(B) *outreach and educational activities de-*  
24 *scribed in subsection (c)(2)(B), and*

1           “(C) *services related to financial education*  
2           *and capability, asset development, and the estab-*  
3           *lishment of savings accounts in connection with*  
4           *tax return preparation.*

5           “(2) *REQUIREMENT OF MATCHING FUNDS.—A*  
6           *qualified return preparation program must provide*  
7           *matching funds on a dollar-for-dollar basis for all*  
8           *grants provided under this section. Matching funds*  
9           *may include—*

10           “(A) *the salary (including fringe benefits)*  
11           *of individuals performing services for the pro-*  
12           *gram,*

13           “(B) *the cost of equipment used in the pro-*  
14           *gram, and*

15           “(C) *other ordinary and necessary costs as-*  
16           *sociated with the program.*

17           *Indirect expenses, including general overhead of any*  
18           *entity administering the program, shall not be count-*  
19           *ed as matching funds.*

20           “(c) *APPLICATION.—*

21           “(1) *IN GENERAL.—Each applicant for a grant*  
22           *under this section shall submit an application to the*  
23           *Secretary at such time, in such manner, and con-*  
24           *taining such information as the Secretary may rea-*  
25           *sonably require.*

1           “(2) *PRIORITY.*—*In awarding grants under this*  
2 *section, the Secretary shall give priority to applica-*  
3 *tions which demonstrate—*

4                   “(A) *assistance to applicable taxpayers,*  
5 *with emphasis on outreach to, and services for,*  
6 *such taxpayers,*

7                   “(B) *taxpayer outreach and educational ac-*  
8 *tivities relating to eligibility and availability of*  
9 *income supports available through this title, in-*  
10 *cluding the earned income tax credit, and*

11                   “(C) *specific outreach and focus on one or*  
12 *more underserved populations.*

13           “(3) *AMOUNTS TAKEN INTO ACCOUNT.*—*In deter-*  
14 *mining matching grants under this section, the Sec-*  
15 *retary shall only take into account amounts provided*  
16 *by the qualified return preparation program for ex-*  
17 *penses described in subsection (b).*

18           “(d) *PROGRAM ADHERENCE.*—

19                   “(1) *IN GENERAL.*—*The Secretary shall establish*  
20 *procedures for, and shall conduct not less frequently*  
21 *than once every 5 calendar years during which a*  
22 *qualified return preparation program is operating*  
23 *under a grant under this section, periodic site vis-*  
24 *its—*

1           “(A) to ensure the program is carrying out  
2           the purposes of this section, and

3           “(B) to determine whether the program  
4           meets such program adherence standards as the  
5           Secretary shall by regulation or other guidance  
6           prescribe.

7           “(2) *ADDITIONAL REQUIREMENTS FOR GRANT*  
8           *RECIPIENTS NOT MEETING PROGRAM ADHERENCE*  
9           *STANDARDS.—In the case of any qualified return*  
10          *preparation program which—*

11           “(A) is awarded a grant under this section,  
12          and

13           “(B) is subsequently determined—

14           “(i) not to meet the program adherence  
15           standards described in paragraph (1)(B), or

16           “(ii) not to be otherwise carrying out  
17           the purposes of this section,

18          such program shall not be eligible for any additional  
19          grants under this section unless such program pro-  
20          vides sufficient documentation of corrective measures  
21          established to address any such deficiencies deter-  
22          mined.

23          “(e) *DEFINITIONS.—For purposes of this section—*

1           “(1) *QUALIFIED RETURN PREPARATION PRO-*  
2           *GRAM.*—*The term ‘qualified return preparation pro-*  
3           *gram’ means any program—*

4                     “(A) *which provides assistance to individ-*  
5                     *uals, not less than 90 percent of whom are appli-*  
6                     *cable taxpayers, in preparing and filing Federal*  
7                     *income tax returns,*

8                     “(B) *which is administered by a qualified*  
9                     *entity,*

10                    “(C) *in which all volunteers who assist in*  
11                    *the preparation of Federal income tax returns*  
12                    *meet the training requirements prescribed by the*  
13                    *Secretary, and*

14                    “(D) *which uses a quality review process*  
15                    *which reviews 100 percent of all returns.*

16           “(2) *QUALIFIED ENTITY.*—

17                    “(A) *IN GENERAL.*—*The term ‘qualified en-*  
18                    *tity’ means any entity which—*

19                             “(i) *is an eligible organization,*

20                             “(ii) *is in compliance with Federal tax*  
21                             *filing and payment requirements,*

22                             “(iii) *is not debarred or suspended*  
23                             *from Federal contracts, grants, or coopera-*  
24                             *tive agreements, and*



1           “(iv) agrees to provide documentation  
2           to substantiate any matching funds pro-  
3           vided pursuant to the grant program under  
4           this section.

5           “(B) *ELIGIBLE ORGANIZATION*.—The term  
6           ‘eligible organization’ means—

7           “(i) an institution of higher education  
8           which is described in section 102 (other  
9           than subsection (a)(1)(C) thereof) of the  
10          Higher Education Act of 1965 (20 U.S.C.  
11          1002), as in effect on the date of the enact-  
12          ment of this section, and which has not been  
13          disqualified from participating in a pro-  
14          gram under title IV of such Act,

15          “(ii) an organization described in sec-  
16          tion 501(c) and exempt from tax under sec-  
17          tion 501(a),

18          “(iii) a local government agency, in-  
19          cluding—

20                  “(I) a county or municipal gov-  
21                  ernment agency, and

22                  “(II) an Indian tribe, as defined  
23                  in section 4(13) of the Native Amer-  
24                  ican Housing Assistance and Self-De-  
25                  termination Act of 1996 (25 U.S.C.

1                   4103(13)), including any tribally des-  
2                   ignated housing entity (as defined in  
3                   section 4(22) of such Act (25 U.S.C.  
4                   4103(22))), tribal subsidiary, subdivi-  
5                   sion, or other wholly owned tribal enti-  
6                   ty,

7                   “(iv) a local, State, regional, or na-  
8                   tional coalition (with one lead organization  
9                   which meets the eligibility requirements of  
10                  clause (i), (ii), or (iii) acting as the appli-  
11                  cant organization), or

12                  “(v) in the case of applicable taxpayers  
13                  and members of underserved populations  
14                  with respect to which no organizations de-  
15                  scribed in the preceding clauses are avail-  
16                  able—

17                         “(I) a State government agency,

18                         or

19                         “(II) an office providing Coopera-  
20                         tive Extension services (as established  
21                         at the land-grant colleges and univer-  
22                         sities under the Smith-Lever Act of  
23                         May 8, 1914).

24                         “(3) *APPLICABLE TAXPAYERS.*—The term ‘appli-  
25                         cable taxpayer’ means a taxpayer whose income for

1 *the taxable year does not exceed an amount equal to*  
2 *the completed phaseout amount under section 32(b)*  
3 *for a married couple filing a joint return with three*  
4 *or more qualifying children, as determined in a rev-*  
5 *enue procedure or other published guidance.*

6 “(4) *UNDERSERVED POPULATION.*—*The term*  
7 *‘underserved population’ includes populations of per-*  
8 *sons with disabilities, persons with limited English*  
9 *proficiency, Native Americans, individuals living in*  
10 *rural areas, members of the Armed Forces and their*  
11 *spouses, and the elderly.*

12 “(f) *SPECIAL RULES AND LIMITATIONS.*—

13 “(1) *DURATION OF GRANTS.*—*Upon application*  
14 *of a qualified return preparation program, the Sec-*  
15 *retary is authorized to award a multi-year grant not*  
16 *to exceed 3 years.*

17 “(2) *AGGREGATE LIMITATION.*—*Unless otherwise*  
18 *provided by specific appropriation, the Secretary*  
19 *shall not allocate more than \$30,000,000 per fiscal*  
20 *year (exclusive of costs of administering the program)*  
21 *to grants under this section.*

22 “(g) *PROMOTION OF PROGRAMS.*—

23 “(1) *IN GENERAL.*—*The Secretary shall promote*  
24 *tax preparation through qualified return preparation*

1        *programs through the use of mass communications*  
2        *and other means.*

3            “(2) *PROVISION OF INFORMATION REGARDING*  
4        *QUALIFIED RETURN PREPARATION PROGRAMS.—The*  
5        *Secretary may provide taxpayers information regard-*  
6        *ing qualified return preparation programs receiving*  
7        *grants under this section.*

8            “(3) *VITA GRANTEE REFERRAL.—Qualified re-*  
9        *turn preparation programs receiving a grant under*  
10       *this section are encouraged, in appropriate cases, to—*

11            “(A) *advise taxpayers of the availability of,*  
12        *and eligibility requirements for receiving, advice*  
13        *and assistance from qualified low-income tax-*  
14        *payer clinics receiving funding under section*  
15        *7526, and*

16            “(B) *provide information regarding the lo-*  
17        *cation of, and contact information for, such clin-*  
18        *ics.”.*

19        (b) *CLERICAL AMENDMENT.—The table of sections for*  
20        *chapter 77 is amended by inserting after the item relating*  
21        *to section 7526 the following new item:*

      “Sec. 7526A. *Return preparation programs for applicable taxpayers.*”.

1 **SEC. 1402. PROVISION OF INFORMATION REGARDING LOW-**  
2 **INCOME TAXPAYER CLINICS.**

3 (a) *IN GENERAL.*—Section 7526(c) of the Internal  
4 Revenue Code of 1986 is amended by adding at the end  
5 the following new paragraph:

6 “(6) *PROVISION OF INFORMATION REGARDING*  
7 *QUALIFIED LOW-INCOME TAXPAYER CLINICS.*—Not-  
8 *withstanding any other provision of law, officers and*  
9 *employees of the Department of the Treasury may—*

10 “(A) *advise taxpayers of the availability of,*  
11 *and eligibility requirements for receiving, advice*  
12 *and assistance from one or more specific quali-*  
13 *fied low-income taxpayer clinics receiving fund-*  
14 *ing under this section, and*

15 “(B) *provide information regarding the lo-*  
16 *cation of, and contact information for, such clin-*  
17 *ics.”.*

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

21 **SEC. 1403. NOTICE FROM IRS REGARDING CLOSURE OF TAX-**  
22 **PAYER ASSISTANCE CENTERS.**

23 *Not later than 90 days before the date that a proposed*  
24 *closure of a Taxpayer Assistance Center would take effect,*  
25 *the Secretary of the Treasury (or the Secretary’s delegate)*  
26 *shall—*

1           (1) *make publicly available (including by non-*  
2 *electronic means) a notice which—*

3                 (A) *identifies the Taxpayer Assistance Cen-*  
4 *ter proposed for closure and the date of such pro-*  
5 *posed closure, and*

6                 (B) *identifies the relevant alternative*  
7 *sources of taxpayer assistance which may be uti-*  
8 *lized by taxpayers affected by such proposed clo-*  
9 *sure, and*

10           (2) *submit to Congress a written report that in-*  
11 *cludes—*

12                 (A) *the information included in the notice*  
13 *described in paragraph (1),*

14                 (B) *the reasons for such proposed closure,*  
15 *and*

16                 (C) *such other information as the Secretary*  
17 *may determine appropriate.*

18 **SEC. 1404. RULES FOR SEIZURE AND SALE OF PERISHABLE**  
19 **GOODS RESTRICTED TO ONLY PERISHABLE**  
20 **GOODS.**

21           (a) *IN GENERAL.—Section 6336 of the Internal Rev-*  
22 *enue Code of 1986 is amended by striking “or become great-*  
23 *ly reduced in price or value by keeping, or that such prop-*  
24 *erty cannot be kept without great expense”.*

1           (b) *EFFECTIVE DATE.*—*The amendment made by this*  
2 *section shall apply to property seized after the date of the*  
3 *enactment of this Act.*

4 **SEC. 1405. WHISTLEBLOWER REFORMS.**

5           (a) *MODIFICATIONS TO DISCLOSURE RULES FOR*  
6 *WHISTLEBLOWERS.*—

7           (1) *IN GENERAL.*—*Section 6103(k) is amended*  
8 *by adding at the end the following new paragraph:*

9           “(13) *DISCLOSURE TO WHISTLEBLOWERS.*—

10                   “(A) *IN GENERAL.*—*The Secretary may dis-*  
11 *close, to any individual providing information*  
12 *relating to any purpose described in paragraph*  
13 *(1) or (2) of section 7623(a), return information*  
14 *related to the investigation of any taxpayer with*  
15 *respect to whom the individual has provided*  
16 *such information, but only to the extent that*  
17 *such disclosure is necessary in obtaining infor-*  
18 *mation, which is not otherwise reasonably avail-*  
19 *able, with respect to the correct determination of*  
20 *tax liability for tax, or the amount to be collected*  
21 *with respect to the enforcement of any other pro-*  
22 *vision of this title.*

23                   “(B) *UPDATES ON WHISTLEBLOWER INVES-*  
24 *TIGATIONS.*—*The Secretary shall disclose to an*  
25 *individual providing information relating to*

1           *any purpose described in paragraph (1) or (2)*  
2           *of section 7623(a) the following:*

3                   “(i) *Not later than 60 days after a case*  
4                   *for which the individual has provided infor-*  
5                   *mation has been referred for an audit or ex-*  
6                   *amination, a notice with respect to such re-*  
7                   *ferral.*

8                   “(ii) *Not later than 60 days after a*  
9                   *taxpayer with respect to whom the indi-*  
10                   *vidual has provided information has made*  
11                   *a payment of tax with respect to tax liabil-*  
12                   *ity to which such information relates, a no-*  
13                   *tice with respect to such payment.*

14                   “(iii) *Subject to such requirements and*  
15                   *conditions as are prescribed by the Sec-*  
16                   *retary, upon a written request by such indi-*  
17                   *vidual—*

18                           “(I) *information on the status*  
19                           *and stage of any investigation or ac-*  
20                           *tion related to such information, and*

21                           “(II) *in the case of a determina-*  
22                           *tion of the amount of any award under*  
23                           *section 7623(b), the reasons for such*  
24                           *determination.*



1           *Clause (iii) shall not apply to any information*  
2           *if the Secretary determines that disclosure of*  
3           *such information would seriously impair Federal*  
4           *tax administration. Information described in*  
5           *clauses (i), (ii), and (iii) may be disclosed to a*  
6           *designee of the individual providing such infor-*  
7           *mation in accordance with guidance provided by*  
8           *the Secretary.”.*

9           (2) *CONFORMING AMENDMENTS.—*

10           (A) *CONFIDENTIALITY OF INFORMATION.—*  
11           *Section 6103(a)(3) is amended by striking “sub-*  
12           *section (k)(10)” and inserting “paragraph (10)*  
13           *or (13) of subsection (k)”.*

14           (B) *PENALTY FOR UNAUTHORIZED DISCLO-*  
15           *SURE.—Section 7213(a)(2) is amended by strik-*  
16           *ing “(k)(10)” and inserting “(k)(10) or (13)”.*

17           (C) *COORDINATION WITH AUTHORITY TO*  
18           *DISCLOSE FOR INVESTIGATIVE PURPOSES.—Sec-*  
19           *tion 6103(k)(6) is amended by adding at the end*  
20           *the following new sentence: “This paragraph*  
21           *shall not apply to any disclosure to an indi-*  
22           *vidual providing information relating to any*  
23           *purpose described in paragraph (1) or (2) of sec-*  
24           *tion 7623(a) which is made under paragraph*  
25           *(13)(A).”.*

1       (b) *PROTECTION AGAINST RETALIATION.*—Section  
2 7623 is amended by adding at the end the following new  
3 subsection:

4       “(d) *CIVIL ACTION TO PROTECT AGAINST RETALIA-*  
5 *TION CASES.*—

6               “(1) *ANTI-RETALIATION WHISTLEBLOWER PRO-*  
7 *TECTION FOR EMPLOYEES.*—No employer, or any offi-  
8 cer, employee, contractor, subcontractor, or agent of  
9 such employer, may discharge, demote, suspend,  
10 threaten, harass, or in any other manner discrimi-  
11 nate against an employee in the terms and conditions  
12 of employment (including through an act in the ordi-  
13 nary course of such employee’s duties) in reprisal for  
14 any lawful act done by the employee—

15               “(A) to provide information, cause informa-  
16 tion to be provided, or otherwise assist in an in-  
17 vestigation regarding underpayment of tax or  
18 any conduct which the employee reasonably be-  
19 lieves constitutes a violation of the internal rev-  
20 enue laws or any provision of Federal law relat-  
21 ing to tax fraud, when the information or assist-  
22 ance is provided to the Internal Revenue Service,  
23 the Secretary of Treasury, the Treasury Inspec-  
24 tor General for Tax Administration, the Comp-  
25 troller General of the United States, the Depart-

1           *ment of Justice, the United States Congress, a*  
2           *person with supervisory authority over the em-*  
3           *ployee, or any other person working for the em-*  
4           *ployer who has the authority to investigate, dis-*  
5           *cover, or terminate misconduct, or*

6           *“(B) to testify, participate in, or otherwise*  
7           *assist in any administrative or judicial action*  
8           *taken by the Internal Revenue Service relating to*  
9           *an alleged underpayment of tax or any violation*  
10          *of the internal revenue laws or any provision of*  
11          *Federal law relating to tax fraud.*

12          “(2) *ENFORCEMENT ACTION.*—

13          “(A) *IN GENERAL.*—*A person who alleges*  
14          *discharge or other reprisal by any person in vio-*  
15          *lation of paragraph (1) may seek relief under*  
16          *paragraph (3) by—*

17                  “(i) *filing a complaint with the Sec-*  
18                  *retary of Labor, or*

19                  “(ii) *if the Secretary of Labor has not*  
20                  *issued a final decision within 180 days of*  
21                  *the filing of the complaint and there is no*  
22                  *showing that such delay is due to the bad*  
23                  *faith of the claimant, bringing an action at*  
24                  *law or equity for de novo review in the ap-*  
25                  *propriate district court of the United*

1           *States, which shall have jurisdiction over*  
2           *such an action without regard to the*  
3           *amount in controversy.*

4           “(B) *PROCEDURE.*—

5                 “(i) *IN GENERAL.*—*An action under*  
6                 *subparagraph (A)(i) shall be governed*  
7                 *under the rules and procedures set forth in*  
8                 *section 42121(b) of title 49, United States*  
9                 *Code.*

10                “(ii) *EXCEPTION.*—*Notification made*  
11                *under section 42121(b)(1) of title 49, United*  
12                *States Code, shall be made to the person*  
13                *named in the complaint and to the em-*  
14                *ployer.*

15                “(iii) *BURDENS OF PROOF.*—*An action*  
16                *brought under subparagraph (A)(ii) shall be*  
17                *governed by the legal burdens of proof set*  
18                *forth in section 42121(b) of title 49, United*  
19                *States Code, except that in applying such*  
20                *section—*

21                         “(I) *behavior described in para-*  
22                         *graph (1)’ shall be substituted for ‘be-*  
23                         *havior described in paragraphs (1)*  
24                         *through (4) of subsection (a)’ each*

1                   *place it appears in paragraph (2)(B)*  
2                   *thereof, and*

3                   “*(II) ‘a violation of paragraph*  
4                   *(1)’ shall be substituted for ‘a violation*  
5                   *of subsection (a)’ each place it appears.*

6                   “*(iv) STATUTE OF LIMITATIONS.—A*  
7                   *complaint under subparagraph (A)(i) shall*  
8                   *be filed not later than 180 days after the*  
9                   *date on which the violation occurs.*

10                  “*(v) JURY TRIAL.—A party to an ac-*  
11                  *tion brought under subparagraph (A)(ii)*  
12                  *shall be entitled to trial by jury.*

13                  “*(3) REMEDIES.—*

14                  “*(A) IN GENERAL.—An employee prevailing*  
15                  *in any action under paragraph (2)(A) shall be*  
16                  *entitled to all relief necessary to make the em-*  
17                  *ployee whole.*

18                  “*(B) COMPENSATORY DAMAGES.—Relief for*  
19                  *any action under subparagraph (A) shall in-*  
20                  *clude—*

21                  “*(i) reinstatement with the same se-*  
22                  *niority status that the employee would have*  
23                  *had, but for the reprisal,*

1           “(ii) the sum of 200 percent of the  
2           amount of back pay and 100 percent of all  
3           lost benefits, with interest, and

4           “(iii) compensation for any special  
5           damages sustained as a result of the re-  
6           prisal, including litigation costs, expert wit-  
7           ness fees, and reasonable attorney fees.

8           “(4) *RIGHTS RETAINED BY EMPLOYEE.*—Nothing  
9           in this section shall be deemed to diminish the rights,  
10          privileges, or remedies of any employee under any  
11          Federal or State law, or under any collective bar-  
12          gaining agreement.

13          “(5) *NONENFORCEABILITY OF CERTAIN PROVI-*  
14          *SIONS WAIVING RIGHTS AND REMEDIES OR REQUIRING*  
15          *ARBITRATION OF DISPUTES.*—

16                 “(A) *WAIVER OF RIGHTS AND REMEDIES.*—  
17                 The rights and remedies provided for in this sub-  
18                 section may not be waived by any agreement,  
19                 policy form, or condition of employment, includ-  
20                 ing by a predispute arbitration agreement.

21                 “(B) *PREDISPUTE ARBITRATION AGREE-*  
22                 *MENTS.*—No predispute arbitration agreement  
23                 shall be valid or enforceable, if the agreement re-  
24                 quires arbitration of a dispute arising under this  
25                 subsection.”.

1       (c) *EFFECTIVE DATE.*—

2           (1) *IN GENERAL.*—*The amendments made by*  
3       *subsection (a) shall apply to disclosures made after*  
4       *the date of the enactment of this Act.*

5           (2) *CIVIL PROTECTION.*—*The amendment made*  
6       *by subsection (b) shall take effect on the date of the*  
7       *enactment of this Act.*

8       **SEC. 1406. CUSTOMER SERVICE INFORMATION.**

9       *The Secretary of the Treasury (or the Secretary's dele-*  
10      *gate) shall provide helpful information to taxpayers placed*  
11      *on hold during a telephone call to any Internal Revenue*  
12      *Service help line, including the following:*

13           (1) *Information about common tax scams.*

14           (2) *Information on where and how to report tax*  
15      *scams.*

16           (3) *Additional advice on how taxpayers can pro-*  
17      *tect themselves from identity theft and tax scams.*

18      **SEC. 1407. MISDIRECTED TAX REFUND DEPOSITS.**

19      *Section 6402 is amended by adding at the end the fol-*  
20      *lowing new subsection:*

21           “(n) *MISDIRECTED DIRECT DEPOSIT REFUND.*—*Not*  
22      *later than the date which is 6 month after the date of the*  
23      *enactment of the Taxpayer First Act of 2018, the Secretary*  
24      *shall prescribe regulations to establish procedures to allow*  
25      *for—*

1           “(1) taxpayers to report instances in which a re-  
2           fund made by the Secretary by electronic funds trans-  
3           fer was erroneously delivered to an account at a fi-  
4           nancial institution for which the taxpayer is not the  
5           owner;

6           “(2) coordination with financial institutions for  
7           the purpose of—

8                   “(A) identifying erroneous payments de-  
9                   scribed in paragraph (1); and

10                   “(B) recovery of the erroneously transferred  
11                   amounts; and

12           “(3) the refund to be delivered to the correct ac-  
13           count of the taxpayer.”.

14           **TITLE II—21ST CENTURY IRS**

15           **Subtitle A—Cybersecurity and**  
16           **Identity Protection**

17           **SEC. 2001. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS**  
18           **IDENTITY THEFT REFUND FRAUD.**

19           *The Secretary of the Treasury (or the Secretary’s dele-*  
20           *gate) shall work collaboratively with the public and private*  
21           *sectors to protect taxpayers from identity theft refund fraud.*



1 **SEC. 2002. RECOMMENDATIONS OF ELECTRONIC TAX AD-**  
2 **MINISTRATION ADVISORY COMMITTEE RE-**  
3 **GARDING IDENTITY THEFT REFUND FRAUD.**

4 *The Secretary of the Treasury shall ensure that the ad-*  
5 *visory group convened by the Secretary pursuant to section*  
6 *2001(b)(2) of the Internal Revenue Service Restructuring*  
7 *and Reform Act of 1998 (commonly known as the Electronic*  
8 *Tax Administration Advisory Committee) studies (includ-*  
9 *ing by providing organized public forums) and makes rec-*  
10 *ommendations to the Secretary regarding methods to pre-*  
11 *vent identity theft and refund fraud.*

12 **SEC. 2003. INFORMATION SHARING AND ANALYSIS CENTER.**

13 *(a) IN GENERAL.—The Secretary of the Treasury (or*  
14 *the Secretary’s delegate) may participate in an information*  
15 *sharing and analysis center to centralize, standardize, and*  
16 *enhance data compilation and analysis to facilitate sharing*  
17 *actionable data and information with respect to identity*  
18 *theft tax refund fraud.*

19 *(b) DEVELOPMENT OF PERFORMANCE METRICS.—The*  
20 *Secretary of the Treasury (or the Secretary’s delegate) shall*  
21 *develop metrics for measuring the success of such center in*  
22 *detecting and preventing identity theft tax refund fraud.*

23 *(c) DISCLOSURE.—*

24 *(1) IN GENERAL.—Section 6103(k), as amended*  
25 *by this Act, is amended by adding at the end the fol-*  
26 *lowing new paragraph:*

1           “(14) *DISCLOSURE OF RETURN INFORMATION*  
2           *FOR PURPOSES OF CYBERSECURITY AND THE PREVEN-*  
3           *TION OF IDENTITY THEFT TAX REFUND FRAUD.—*

4           “(A) *IN GENERAL.—Under such procedures*  
5           *and subject to such conditions as the Secretary*  
6           *may prescribe, the Secretary may disclose speci-*  
7           *fied return information to specified ISAC par-*  
8           *ticipants to the extent that the Secretary deter-*  
9           *mines such disclosure is in furtherance of effec-*  
10           *tive Federal tax administration relating to the*  
11           *detection or prevention of identity theft tax re-*  
12           *fund fraud, validation of taxpayer identity, au-*  
13           *thentication of taxpayer returns, or detection or*  
14           *prevention of cybersecurity threats.*

15           “(B) *SPECIFIED ISAC PARTICIPANTS.—For*  
16           *purposes of this paragraph—*

17           “(i) *IN GENERAL.—The term ‘specified*  
18           *ISAC participant’ means—*

19           “(I) *any person designated by the*  
20           *Secretary as having primary responsi-*  
21           *bility for a function performed with re-*  
22           *spect to the information sharing and*  
23           *analysis center described in section*  
24           *2003(a) of the Taxpayer First Act of*  
25           *2018, and*

1                   “(II) any person subject to the re-  
2                   quirements of section 7216 and which  
3                   is a participant in such information  
4                   sharing and analysis center.

5                   “(ii) *INFORMATION SHARING AGREE-*  
6                   *MENT.*—Such term shall not include any  
7                   person unless such person has entered into  
8                   a written agreement with the Secretary set-  
9                   ting forth the terms and conditions for the  
10                  disclosure of information to such person  
11                  under this paragraph, including require-  
12                  ments regarding the protection and safe-  
13                  guarding of such information by such per-  
14                  son.

15                  “(C) *SPECIFIED RETURN INFORMATION.*—  
16                  For purposes of this paragraph, the term ‘speci-  
17                  fied return information’ means—

18                         “(i) in the case of a return which is in  
19                         connection with a case of potential identity  
20                         theft refund fraud—

21                                 “(I) in the case of such return  
22                                 filed electronically, the internet pro-  
23                                 tocol address, device identification,  
24                                 email domain name, speed of comple-  
25                                 tion, method of authentication, refund

1                    *method, and such other return infor-*  
2                    *mation related to the electronic filing*  
3                    *characteristics of such return as the*  
4                    *Secretary may identify for purposes of*  
5                    *this subclause, and*

6                    *“(II) in the case of such return*  
7                    *prepared by a tax return preparer,*  
8                    *identifying information with respect to*  
9                    *such tax return preparer, including the*  
10                   *preparer taxpayer identification num-*  
11                   *ber and electronic filer identification*  
12                   *number of such preparer,*

13                   *“(ii) in the case of a return which is*  
14                   *in connection with a case of a identity theft*  
15                   *refund fraud which has been confirmed by*  
16                   *the Secretary (pursuant to such procedures*  
17                   *as the Secretary may provide), the informa-*  
18                   *tion referred to in subclauses (I) and (II) of*  
19                   *clause (i), the name and taxpayer identi-*  
20                   *fication number of the taxpayer as it ap-*  
21                   *pears on the return, and any bank account*  
22                   *and routing information provided for mak-*  
23                   *ing a refund in connection with such re-*  
24                   *turn, and*

1           “(iii) in the case of any cybersecurity  
2           threat to the Internal Revenue Service, in-  
3           formation similar to the information de-  
4           scribed in subclauses (I) and (II) of clause  
5           (i) with respect to such threat.

6           “(D) RESTRICTION ON USE OF DISCLOSED  
7           INFORMATION.—

8           “(i) DESIGNATED THIRD PARTIES.—  
9           Any return information received by a per-  
10          son described in subparagraph (B)(i)(I)  
11          shall be used only for the purposes of and  
12          to the extent necessary in—

13                 “(I) performing the function such  
14                 person is designated to perform under  
15                 such subparagraph,

16                 “(II) facilitating disclosures au-  
17                 thorized under subparagraph (A) to  
18                 persons described in subparagraph  
19                 (B)(i)(II), and

20                 “(III) facilitating disclosures au-  
21                 thorized under subsection (d) to par-  
22                 ticipants in such information sharing  
23                 and analysis center.

24           “(ii) RETURN PREPARERS.—Any re-  
25          turn information received by a person de-

1           scribed in subparagraph (B)(i)(II) shall be  
2           treated for purposes of section 7216 as in-  
3           formation furnished to such person for, or  
4           in connection with, the preparation of a re-  
5           turn of the tax imposed under chapter 1.

6           “(E) DATA PROTECTION AND SAFE-  
7           GUARDS.—Return information disclosed under  
8           this paragraph shall be subject to such protec-  
9           tions and safeguards as the Secretary may re-  
10          quire in regulations or other guidance or in the  
11          written agreement referred to in subparagraph  
12          (B)(ii). Such written agreement shall include a  
13          requirement that any unauthorized access to in-  
14          formation disclosed under this paragraph, and  
15          any breach of any system in which such infor-  
16          mation is held, be reported to the Treasury In-  
17          spector General for Tax Administration.”.

18          (2) APPLICATION OF CIVIL AND CRIMINAL PEN-  
19          ALTIES.—

20               (A) Section 6103(a)(3), as amended by this  
21               Act, is amended by striking “or (13)” and in-  
22               serting “(13), or (14)”.

23               (B) Section 7213(a)(2), as amended by this  
24               Act, is amended by striking “or (13)” and in-  
25               serting “(13), or (14)”.

1 **SEC. 2004. COMPLIANCE BY CONTRACTORS WITH CON-**  
2 **FIDENTIALITY SAFEGUARDS.**

3 (a) *IN GENERAL.*—Section 6103(p) is amended by  
4 adding at the end the following new paragraph:

5 “(9) *DISCLOSURE TO CONTRACTORS AND OTHER*  
6 *AGENTS.*—Notwithstanding any other provision of  
7 this section, no return or return information shall be  
8 disclosed to any contractor or other agent of a Fed-  
9 eral, State, or local agency unless such agency, to the  
10 satisfaction of the Secretary—

11 “(A) has requirements in effect which re-  
12 quire each such contractor or other agent which  
13 would have access to returns or return informa-  
14 tion to provide safeguards (within the meaning  
15 of paragraph (4)) to protect the confidentiality  
16 of such returns or return information,

17 “(B) agrees to conduct an on-site review  
18 every 3 years (or a mid-point review in the case  
19 of contracts or agreements of less than 3 years in  
20 duration) of each contractor or other agent to de-  
21 termine compliance with such requirements,

22 “(C) submits the findings of the most recent  
23 review conducted under subparagraph (B) to the  
24 Secretary as part of the report required by para-  
25 graph (4)(E), and

1           “(D) certifies to the Secretary for the most  
2           recent annual period that such contractor or  
3           other agent is in compliance with all such re-  
4           quirements.

5           *The certification required by subparagraph (D) shall*  
6           *include the name and address of each contractor or*  
7           *other agent, a description of the contract or agreement*  
8           *with such contractor or other agent, and the duration*  
9           *of such contract or agreement. The requirements of*  
10          *this paragraph shall not apply to disclosures pursu-*  
11          *ant to subsection (n) for purposes of Federal tax ad-*  
12          *ministration.”.*

13          (b)           CONFORMING           AMENDMENT.—Section  
14          6103(p)(8)(B) is amended by inserting “or paragraph (9)”  
15          after “subparagraph (A)”.

16          (c) EFFECTIVE DATE.—The amendments made by this  
17          section shall apply to disclosures made after December 31,  
18          2022.

19          **SEC. 2005. REPORT ON ELECTRONIC PAYMENTS.**

20          *Not later than 2 years after the date of the enactment*  
21          *of this Act, the Secretary of the Treasury (or the Secretary’s*  
22          *delegate), in coordination with the Bureau of Fiscal Service*  
23          *and the Internal Revenue Service, and in consultation with*  
24          *private sector financial institutions, shall submit a written*  
25          *report to Congress describing how the government can uti-*



1 lize new payment platforms to increase the number of tax  
2 refunds paid by electronic funds transfer. Such report shall  
3 weigh the interests of reducing identity theft tax refund  
4 fraud, reducing the Federal Government's costs in deliv-  
5 ering tax refunds, the costs and any associated fees charged  
6 to taxpayers (including monthly and point-of-service fees)  
7 to access their tax refunds, the impact on individuals who  
8 do not have access to financial accounts or institutions, and  
9 ensuring payments are made to accounts at a financial in-  
10 stitution that complies with section 21 of the Federal De-  
11 posit Insurance Act, chapter 2 of title I of Public Law 91-  
12 508, and subchapter II of chapter 53 of title 31, United  
13 States Code (commonly referred to collectively as the "Bank  
14 Secrecy Act") and the USA PATRIOT Act. Such report  
15 shall include any legislative recommendations necessary to  
16 accomplish these goals.

17 **SEC. 2006. IDENTITY PROTECTION PERSONAL IDENTIFICA-**  
18 **TION NUMBERS.**

19 (a) *IN GENERAL.*—Subject to subsection (b), the Sec-  
20 retary of the Treasury or the Secretary's delegate (hereafter  
21 referred to in this section as the "Secretary") shall establish  
22 a program to issue, upon the request of any individual, a  
23 number which may be used in connection with such indi-  
24 vidual's social security number (or other identifying infor-  
25 mation with respect to such individual as determined by

1 *the Secretary) to assist the Secretary in verifying such indi-*  
2 *vidual's identity.*

3 *(b) REQUIREMENTS.—*

4 *(1) ANNUAL EXPANSION.—For each calendar*  
5 *year beginning after the date of the enactment of this*  
6 *Act, the Secretary shall provide numbers through the*  
7 *program described in subsection (a) to individuals re-*  
8 *siding in such States as the Secretary deems appro-*  
9 *priate, provided that the total number of States served*  
10 *by such program during such year is greater than the*  
11 *total number of States served by such program during*  
12 *the preceding year.*

13 *(2) NATIONWIDE AVAILABILITY.—Not later than*  
14 *5 years after the date of the enactment of this Act, the*  
15 *Secretary shall ensure that the program described in*  
16 *subsection (a) is made available to any individual re-*  
17 *siding in the United States.*

18 **SEC. 2007. SINGLE POINT OF CONTACT FOR TAX-RELATED**  
19 **IDENTITY THEFT VICTIMS.**

20 *(a) IN GENERAL.—The Secretary of the Treasury (or*  
21 *the Secretary's delegate) shall establish and implement pro-*  
22 *cedures to ensure that any taxpayer whose return has been*  
23 *delayed or otherwise adversely affected due to tax-related*  
24 *identity theft has a single point of contact at the Internal*  
25 *Revenue Service throughout the processing of the taxpayer's*

1 *case. The single point of contact shall track the taxpayer's*  
2 *case to completion and coordinate with other Internal Rev-*  
3 *enue Service employees to resolve case issues as quickly as*  
4 *possible.*

5 *(b) SINGLE POINT OF CONTACT.—*

6 *(1) IN GENERAL.—For purposes of subsection*  
7 *(a), the single point of contact shall consist of a team*  
8 *or subset of specially trained employees who—*

9 *(A) have the ability to work across func-*  
10 *tions to resolve the issues involved in the tax-*  
11 *payer's case; and*

12 *(B) shall be accountable for handling the*  
13 *case until its resolution.*

14 *(2) TEAM OR SUBSET.—The employees included*  
15 *within the team or subset described in paragraph (1)*  
16 *may change as required to meet the needs of the Inter-*  
17 *nal Revenue Service, provided that procedures have*  
18 *been established to—*

19 *(A) ensure continuity of records and case*  
20 *history; and*

21 *(B) notify the taxpayer when appropriate.*

22 **SEC. 2008. NOTIFICATION OF SUSPECTED IDENTITY THEFT.**

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

1 **“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY**  
2 **THEFT.**

3 *“(a) IN GENERAL.—If the Secretary determines that*  
4 *there has been or may have been an unauthorized use of*  
5 *the identity of any individual, the Secretary shall, without*  
6 *jeopardizing an investigation relating to tax administra-*  
7 *tion—*

8 *“(1) as soon as practicable, notify the individual*  
9 *of such determination and provide—*

10 *“(A) instructions on how to file a report*  
11 *with law enforcement regarding the unauthorized*  
12 *use of the identity of the individual,*

13 *“(B) the identification of any forms nec-*  
14 *essary for the individual to complete and submit*  
15 *to law enforcement to permit access to personal*  
16 *information of the individual during the inves-*  
17 *tigation,*

18 *“(C) information regarding actions the in-*  
19 *dividual may take in order to protect the indi-*  
20 *vidual from harm relating to such unauthorized*  
21 *use, and*

22 *“(D) an offer of identity protection meas-*  
23 *ures to be provided to the individual by the In-*  
24 *ternal Revenue Service, such as the use of an*  
25 *identity protection personal identification num-*  
26 *ber, and*

1           “(2) at the time the information described in  
2 paragraph (1) is provided (or, if not available at such  
3 time, as soon as practicable thereafter), issue addi-  
4 tional notifications to such individual (or such indi-  
5 vidual’s designee) regarding—

6           “(A) whether an investigation has been ini-  
7 tiated in regards to such unauthorized use,

8           “(B) whether the investigation substantiated  
9 an unauthorized use of the identity of the indi-  
10 vidual, and

11          “(C) whether—

12           “(i) any action has been taken against  
13 a person relating to such unauthorized use,  
14 or

15           “(ii) any referral has been made for  
16 criminal prosecution of such person and, to  
17 the extent such information is available,  
18 whether such person has been criminally  
19 charged by indictment or information.

20          “(b) *EMPLOYMENT-RELATED IDENTITY THEFT.*—

21           “(1) *IN GENERAL.*—For purposes of this section,  
22 the unauthorized use of the identity of an individual  
23 includes the unauthorized use of the identity of the in-  
24 dividual to obtain employment.

1           “(2) *DETERMINATION OF EMPLOYMENT-RELATED*  
2           *IDENTITY THEFT.*—For purposes of this section, in  
3           making a determination as to whether there has been  
4           or may have been an unauthorized use of the identity  
5           of an individual to obtain employment, the Secretary  
6           shall review any information—

7                   “(A) obtained from a statement described in  
8                   section 6051 or an information return relating  
9                   to compensation for services rendered other than  
10                  as an employee, or

11                  “(B) provided to the Internal Revenue Serv-  
12                  ice by the Social Security Administration re-  
13                  garding any statement described in section 6051,  
14                  which indicates that the social security account num-  
15                  ber provided on such statement or information return  
16                  does not correspond with the name provided on such  
17                  statement or information return or the name on the  
18                  tax return reporting the income which is included on  
19                  such statement or information return.”.

20           (b) *ADDITIONAL MEASURES.*—

21                  (1) *EXAMINATION OF BOTH PAPER AND ELEC-*  
22                  *TRONIC STATEMENTS AND RETURNS.*—The Secretary  
23                  of the Treasury (or the Secretary’s delegate) shall ex-  
24                  amine the statements, information returns, and tax  
25                  returns described in section 7529(b)(2) of the Internal

1 *Revenue Code of 1986 (as added by subsection (a)) for*  
2 *any evidence of employment-related identity theft, re-*  
3 *gardless of whether such statements or returns are*  
4 *submitted electronically or on paper.*

5 (2) *IMPROVEMENT OF EFFECTIVE RETURN PROC-*  
6 *ESSING PROGRAM WITH SOCIAL SECURITY ADMINIS-*  
7 *TRATION.—Section 232 of the Social Security Act (42*  
8 *U.S.C. 432) is amended by inserting after the third*  
9 *sentence the following: “For purposes of carrying out*  
10 *the return processing program described in the pre-*  
11 *ceding sentence, the Commissioner of Social Security*  
12 *shall request, not less than annually, such informa-*  
13 *tion described in section 7529(b)(2) of the Internal*  
14 *Revenue Code of 1986 as may be necessary to ensure*  
15 *the accuracy of the records maintained by the Com-*  
16 *missioner of Social Security related to the amounts of*  
17 *wages paid to, and the amounts of self-employment*  
18 *income derived by, individuals.”.*

19 (3) *UNDERREPORTING OF INCOME.—The Sec-*  
20 *retary (or the Secretary’s delegate) shall establish pro-*  
21 *cedures to ensure that income reported in connection*  
22 *with the unauthorized use of a taxpayer’s identity is*  
23 *not taken into account in determining any penalty*  
24 *for underreporting of income by the victim of identity*  
25 *theft.*

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

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

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

7 **SEC. 2009. GUIDELINES FOR STOLEN IDENTITY REFUND**  
8 **FRAUD CASES.**

9           (a) *IN GENERAL.*—*Not later than 1 year after the date*  
10 *of the enactment of this Act, the Secretary (or the Sec-*  
11 *retary’s delegate), in consultation with the National Tax-*  
12 *payer Advocate, shall develop and implement publicly*  
13 *available guidelines for management of cases involving sto-*  
14 *len identity refund fraud in a manner that reduces the ad-*  
15 *ministrative burden on taxpayers who are victims of such*  
16 *fraud.*

17           (b) *STANDARDS AND PROCEDURES TO BE CONSID-*  
18 *ERED.*—*The guidelines described in subsection (a) may in-*  
19 *clude—*

20                   (1) *standards for—*

21                           (A) *the average length of time in which a*  
22 *case involving stolen identity refund fraud*  
23 *should be resolved;*

24                           (B) *the maximum length of time, on aver-*  
25 *age, a taxpayer who is a victim of stolen iden-*



1            *tity refund fraud and is entitled to a tax refund*  
2            *which has been stolen should have to wait to re-*  
3            *ceive such refund; and*

4            *(C) the maximum number of offices and em-*  
5            *ployees within the Internal Revenue Service with*  
6            *whom a taxpayer who is a victim of stolen iden-*  
7            *tity refund fraud should be required to interact*  
8            *in order to resolve a case;*

9            *(2) standards for opening, assigning, reas-*  
10           *signing, or closing a case involving stolen identity re-*  
11           *fund fraud; and*

12           *(3) procedures for implementing and accom-*  
13           *plishing the standards described in paragraphs (1)*  
14           *and (2), and measures for evaluating such procedures*  
15           *and determining whether such standards have been*  
16           *successfully implemented.*

17 **SEC. 2010. INCREASED PENALTY FOR IMPROPER DISCLO-**  
18                    **SURE OR USE OF INFORMATION BY PRE-**  
19                    **PARERS OF RETURNS.**

20           *(a) IN GENERAL.—Section 6713 is amended—*

21           *(1) by redesignating subsections (b) and (c) as*  
22           *subsections (c) and (d), respectively; and*

23           *(2) by inserting after subsection (a) the following*  
24           *new subsection:*

1       “(b) *ENHANCED PENALTY FOR IMPROPER USE OR*  
2 *DISCLOSURE RELATING TO IDENTITY THEFT.*—

3               “(1) *IN GENERAL.*—*In the case of a disclosure or*  
4 *use described in subsection (a) that is made in con-*  
5 *nection with a crime relating to the misappropriation*  
6 *of another person’s taxpayer identity (as defined in*  
7 *section 6103(b)(6)), whether or not such crime in-*  
8 *volves any tax filing, subsection (a) shall be ap-*  
9 *plied—*

10                       “(A) by substituting ‘\$1,000’ for ‘\$250’, and

11                       “(B) by substituting ‘\$50,000’ for ‘\$10,000’.

12               “(2) *SEPARATE APPLICATION OF TOTAL PENALTY*  
13 *LIMITATION.*—*The limitation on the total amount of*  
14 *the penalty under subsection (a) shall be applied sep-*  
15 *arately with respect to disclosures or uses to which*  
16 *this subsection applies and to which it does not*  
17 *apply.”.*

18       (b) *CRIMINAL PENALTY.*—*Section 7216(a) is amended*  
19 *by striking “\$1,000” and inserting “\$1,000 (\$100,000 in*  
20 *the case of a disclosure or use to which section 6713(b) ap-*  
21 *plies)”.*

22       (c) *EFFECTIVE DATE.*—*The amendments made by this*  
23 *section shall apply to disclosures or uses on or after the*  
24 *date of the enactment of this Act.*

1                   ***Subtitle B—Development of***  
2                   ***Information Technology***

3   ***SEC. 2101. MANAGEMENT OF INTERNAL REVENUE SERVICE***  
4                   ***INFORMATION TECHNOLOGY.***

5           (a) *DUTIES AND RESPONSIBILITIES OF INTERNAL*  
6 *REVENUE SERVICE CHIEF INFORMATION OFFICER.*—*Sec-*  
7 *tion 7803, as amended by section 1001, is amended by add-*  
8 *ing at the end the following new subsection:*

9           “(f) *INTERNAL REVENUE SERVICE CHIEF INFORMA-*  
10 *TION OFFICER.*—

11                   “(1) *IN GENERAL.*—*There shall be in the Inter-*  
12 *nal Revenue Service an Internal Revenue Service*  
13 *Chief Information Officer (hereafter referred to in this*  
14 *subsection as the ‘IRS CIO’) who shall be appointed*  
15 *by the Commissioner of the Internal Revenue Service.*

16                   “(2) *CENTRALIZED RESPONSIBILITY FOR INTER-*  
17 *NAL REVENUE SERVICE INFORMATION TECHNOLOGY.*—  
18 *The Commissioner of the Internal Revenue Service*  
19 *(and the Secretary) shall act through the IRS CIO*  
20 *with respect to all development, implementation, and*  
21 *maintenance of information technology for the Inter-*  
22 *nal Revenue Service. Any reference in this subsection*  
23 *to the IRS CIO which directs the IRS CIO to take*  
24 *any action, or to assume any responsibility, shall be*

1 *treated as a reference to the Commissioner of the In-*  
2 *ternal Revenue Service acting through the IRS CIO.*

3 “(3) *GENERAL DUTIES AND RESPONSIBIL-*  
4 *ITIES.—The IRS CIO shall—*

5 “(A) *be responsible for the development, im-*  
6 *plementation, and maintenance of information*  
7 *technology for the Internal Revenue Service,*

8 “(B) *ensure that the information technology*  
9 *of the Internal Revenue Service is secure and in-*  
10 *tegrated,*

11 “(C) *maintain operational control of all in-*  
12 *formation technology for the Internal Revenue*  
13 *Service,*

14 “(D) *be the principal advocate for the infor-*  
15 *mation technology needs of the Internal Revenue*  
16 *Service, and*

17 “(E) *consult with the Chief Procurement*  
18 *Officer of the Internal Revenue Service to ensure*  
19 *that the information technology acquired for the*  
20 *Internal Revenue Service is consistent with—*

21 “(i) *the goals and requirements speci-*  
22 *fied in subparagraphs (A) through (D), and*

23 “(ii) *the strategic plan developed under*  
24 *paragraph (4).*

25 “(4) *STRATEGIC PLAN.—*

1           “(A) *IN GENERAL.*—*The IRS CIO shall de-*  
2           *velop and implement a multiyear strategic plan*  
3           *for the information technology needs of the Inter-*  
4           *nal Revenue Service. Such plan shall—*

5                     “(i) *include performance measurements*  
6                     *of such technology and of the implementa-*  
7                     *tion of such plan,*

8                     “(ii) *include a plan for an integrated*  
9                     *enterprise architecture of the information*  
10                    *technology of the Internal Revenue Service,*

11                    “(iii) *include and take into account*  
12                    *the resources needed to accomplish such*  
13                    *plan,*

14                    “(iv) *take into account planned major*  
15                    *acquisitions of information technology by*  
16                    *the Internal Revenue Service, including*  
17                    *Customer Account Data Engine 2 and the*  
18                    *Enterprise Case Management System, and*

19                    “(v) *align with the needs and strategic*  
20                    *plan of the Internal Revenue Service.*

21           “(B) *PLAN UPDATES.*—*The IRS CIO shall,*  
22           *not less frequently than annually, review and*  
23           *update the strategic plan under subparagraph*  
24           *(A) (including the plan for an integrated enter-*  
25           *prise architecture described in subparagraph*

1           (A)(ii)) to take into account the development of  
2           new information technology and the needs of the  
3           Internal Revenue Service.

4           “(5) SCOPE OF AUTHORITY.—

5                   “(A) INFORMATION TECHNOLOGY.—For  
6           purposes of this subsection, the term ‘information  
7           technology’ has the meaning given such term by  
8           section 11101 of title 40, United States Code.

9                   “(B) INTERNAL REVENUE SERVICE.—Any  
10          reference in this subsection to the Internal Rev-  
11          enue Service includes a reference to all compo-  
12          nents of the Internal Revenue Service, includ-  
13          ing—

14                   “(i) the Office of the Taxpayer Advo-  
15          cate,

16                   “(ii) the Criminal Investigation Divi-  
17          sion of the Internal Revenue Service, and

18                   “(iii) except as otherwise provided by  
19          the Secretary with respect to information  
20          technology related to matters described in  
21          subsection (b)(3)(B), the Office of the Chief  
22          Counsel.”.

23          (b) INDEPENDENT VERIFICATION AND VALIDATION OF  
24          THE CUSTOMER ACCOUNT DATA ENGINE 2 AND ENTER-  
25          PRISE CASE MANAGEMENT SYSTEM.—

1           (1) *IN GENERAL.*—*The Commissioner of the Internal Revenue Service shall enter into a contract*  
2           *with an independent reviewer to verify and validate*  
3           *the implementation plans (including the performance*  
4           *milestones and cost estimates included in such plans)*  
5           *developed for the Customer Account Data Engine 2*  
6           *and the Enterprise Case Management System.*

8           (2) *DEADLINE FOR COMPLETION.*—*Such contract*  
9           *shall require that such verification and validation be*  
10          *completed not later than the date which is 1 year*  
11          *after the date of the enactment of this Act.*

12          (3) *APPLICATION TO PHASES OF CADE 2.*—

13                (A) *IN GENERAL.*—*Paragraphs (1) and (2)*  
14                *shall not apply to phase 1 of the Customer Ac-*  
15                *count Data Engine 2 and shall apply separately*  
16                *to each other phase.*

17                (B) *DEADLINE FOR COMPLETING PLANS.*—  
18                *Not later than 1 year after the date of the enact-*  
19                *ment of this Act, the Commissioner of the Inter-*  
20                *nal Revenue Service shall complete the develop-*  
21                *ment of plans for all phases of the Customer Ac-*  
22                *count Data Engine 2.*

23                (C) *DEADLINE FOR COMPLETION OF*  
24                *VERIFICATION AND VALIDATION OF PLANS.*—*In*  
25                *the case of any phase after phase 2 of the Cus-*

1            *tomer Account Data Engine 2, paragraph (2)*  
2            *shall be applied by substituting “the date on*  
3            *which the plan for such phase was completed”*  
4            *for “the date of the enactment of this Act”.*

5            *(c) COORDINATION OF IRS CIO AND CHIEF PROCURE-*  
6 *MENT OFFICER OF THE INTERNAL REVENUE SERVICE.—*

7            *(1) IN GENERAL.—The Chief Procurement Offi-*  
8 *cer of the Internal Revenue Service shall—*

9                    *(A) identify all significant IRS information*  
10 *technology acquisitions and provide written noti-*  
11 *fication to the Internal Revenue Service Chief*  
12 *Information Officer (hereafter referred to in this*  
13 *subsection as the “IRS CIO”) of each such acqui-*  
14 *sition in advance of such acquisition, and*

15                    *(B) regularly consult with the IRS CIO re-*  
16 *garding acquisitions of information technology*  
17 *for the Internal Revenue Service, including meet-*  
18 *ing with the IRS CIO regarding such acquisi-*  
19 *tions upon request.*

20            *(2) SIGNIFICANT IRS INFORMATION TECHNOLOGY*  
21 *ACQUISITIONS.—For purposes of this subsection, the*  
22 *term “significant IRS information technology acqui-*  
23 *sitions” means—*



1           (A) any acquisition of information tech-  
2 nology for the Internal Revenue Service in excess  
3 of \$1,000,000, and

4           (B) such other acquisitions of information  
5 technology for the Internal Revenue Service (or  
6 categories of such acquisitions) as the IRS CIO,  
7 in consultation with the Chief Procurement Offi-  
8 cer of the Internal Revenue Service, may iden-  
9 tify.

10          (3) *SCOPE.*—Terms used in this subsection which  
11 are also used in section 7803(f) of the Internal Rev-  
12 enue Code of 1986 (as amended by subsection (a))  
13 shall have the same meaning as when used in such  
14 section.

15 **SEC. 2102. DEVELOPMENT OF ONLINE ACCOUNTS AND POR-**  
16 **TALS.**

17          (a) *IN GENERAL.*—The Secretary of the Treasury or  
18 the Secretary’s delegate (hereafter referred to in this section  
19 as the “Secretary”) shall—

20           (1) develop secure individualized online accounts  
21 to provide services to taxpayers and their designated  
22 return preparers, including obtaining taxpayer infor-  
23 mation, making payment of taxes, sharing docu-  
24 mentation, and (to the extent feasible) addressing and  
25 correcting issues, and

1           (2) *develop a process for the acceptance of tax*  
2           *forms, and supporting documentation, in digital or*  
3           *other electronic format.*

4           (b) *ELECTRONIC SERVICES TREATED AS SUPPLE-*  
5           *MENTAL; APPLICATION OF SECURITY STANDARDS.—The*  
6           *Secretary shall ensure that the processes described in sub-*  
7           *section (a)—*

8           (1) *are a supplement to, and not a replacement*  
9           *for, other services provided by the Internal Revenue*  
10           *Service to taxpayers, including face-to-face taxpayer*  
11           *assistance and services provided by phone, and*

12           (2) *comply with applicable security standards*  
13           *and guidelines.*

14           (c) *PROCESS FOR DEVELOPING ONLINE ACCOUNTS.—*

15           (1) *DEVELOPMENT OF PLAN.—Not later than 1*  
16           *year after the date of the enactment of this Act, the*  
17           *Secretary shall submit to Congress a written report*  
18           *describing the Secretary’s plan for developing the se-*  
19           *ecure individualized online accounts described in sub-*  
20           *section (a)(1). Such plan shall address the feasibility*  
21           *of taxpayers addressing and correcting issues through*  
22           *such accounts and whether access to such accounts*  
23           *should be restricted and in what manner.*

24           (2) *DEADLINE.—The Secretary shall make every*  
25           *reasonable effort to make the secure individualized on-*

1        *line accounts described in subsection (a)(1) available*  
2        *to taxpayers by December 31, 2023.*

3        **SEC. 2103. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

4        *(a) IN GENERAL.—Not later than January 1, 2023,*  
5        *the Secretary of the Treasury or the Secretary’s delegate*  
6        *(hereafter referred to in this section as the “Secretary”)*  
7        *shall make available an Internet website or other electronic*  
8        *media, with a user interface and functionality similar to*  
9        *the Business Services Online Suite of Services provided by*  
10       *the Social Security Administration, that will provide access*  
11       *to resources and guidance provided by the Internal Revenue*  
12       *Service and will allow persons to—*

13                *(1) prepare and file Forms 1099,*

14                *(2) prepare Forms 1099 for distribution to re-*  
15        *ipients other than the Internal Revenue Service, and*

16                *(3) maintain a record of completed and sub-*  
17        *mitted Forms 1099.*

18        *(b) ELECTRONIC SERVICES TREATED AS SUPPLE-*  
19        *MENTAL; APPLICATION OF SECURITY STANDARDS.—The*  
20        *Secretary shall ensure that the services described in sub-*  
21        *section (a)—*

22                *(1) are a supplement to, and not a replacement*  
23        *for, other services provided by the Internal Revenue*  
24        *Service to taxpayers, and*

1           (2) *comply with applicable security standards*  
2           *and guidelines.*

3 **SEC. 2104. STREAMLINED CRITICAL PAY AUTHORITY FOR**  
4           **INFORMATION TECHNOLOGY POSITIONS.**

5           (a) *IN GENERAL.*—*Subchapter A of chapter 80 is*  
6 *amended by adding at the end the following new section:*

7 **“SEC. 7812. STREAMLINED CRITICAL PAY AUTHORITY FOR**  
8           **INFORMATION TECHNOLOGY POSITIONS.**

9           *“In the case of any position which is critical to the*  
10 *functionality of the information technology operations of*  
11 *the Internal Revenue Service—*

12           *“(1) section 9503 of title 5, United States Code,*  
13 *shall be applied—*

14           *“(A) by substituting ‘during the period be-*  
15 *ginning on the date of the enactment of section*  
16 *7812 of the Internal Revenue Code of 1986, and*  
17 *ending on September 30, 2023’ for ‘Before Sep-*  
18 *tember 30, 2013 in subsection (a),*

19           *“(B) without regard to subparagraph (B) of*  
20 *subsection (a)(1), and*

21           *“(C) by substituting ‘the date of the enact-*  
22 *ment of the Taxpayer First Act of 2018’ for*  
23 *‘June 1, 1998’ in subsection (a)(6),*

24           *“(2) section 9504 of such title 5 shall be applied*  
25 *by substituting ‘During the period beginning on the*

1 *date of the enactment of section 7812 of the Internal*  
 2 *Revenue Code of 1986, and ending on September 30,*  
 3 *2023’ for ‘Before September 30, 2013’ each place it*  
 4 *appears in subsections (a) and (b), and*

5 “(3) section 9505 of such title shall be applied—

6 “(A) by substituting ‘During the period be-

7 ginning on the date of the enactment of section

8 7812 of the Internal Revenue Code of 1986, and

9 ending on September 30, 2023’ for ‘Before Sep-

10 tember 30, 2013’ in subsection (a), and

11 “(B) by substituting ‘the information tech-

12 nology operations’ for ‘significant functions’ in

13 subsection (a).”.

14 (b) *CLERICAL AMENDMENT.*—*The table of sections for*  
 15 *subchapter A of chapter 80 is amended by adding at the*  
 16 *end the following new item:*

“Sec. 7812. Streamlined critical pay authority for information technology posi-  
 tions.”.

17 ***Subtitle C—Modernization of Con-***  
 18 ***sent-based Income Verification***  
 19 ***System***

20 ***SEC. 2201. DISCLOSURE OF TAXPAYER INFORMATION FOR***  
 21 ***THIRD-PARTY INCOME VERIFICATION.***

22 (a) *IN GENERAL.*—*Not later than 1 year after the close*  
 23 *of the 2-year period described in subsection (d)(1), the Sec-*  
 24 *retary of the Treasury or the Secretary’s delegate (hereafter*

1 referred to in this section as the “Secretary”) shall imple-  
2 ment a program to ensure that any qualified disclosure—

3           (1) is fully automated and accomplished through  
4           the Internet, and

5           (2) is accomplished in as close to real-time as is  
6           practicable.

7           (b) *QUALIFIED DISCLOSURE.*—For purposes of this  
8 section, the term “qualified disclosure” means a disclosure  
9 under section 6103(c) of the Internal Revenue Code of 1986  
10 of returns or return information by the Secretary to a per-  
11 son seeking to verify the income or creditworthiness of a  
12 taxpayer who is a borrower in the process of a loan applica-  
13 tion.

14           (c) *APPLICATION OF SECURITY STANDARDS.*—The Sec-  
15 retary shall ensure that the program described in subsection  
16 (a) complies with applicable security standards and guide-  
17 lines.

18           (d) *USER FEE.*—

19           (1) *IN GENERAL.*—During the 2-year period be-  
20 ginning on the first day of the 6th calendar month be-  
21 ginning after the date of the enactment of this Act,  
22 the Secretary shall assess and collect a fee for quali-  
23 fied disclosures (in addition to any other fee assessed  
24 and collected for such disclosures) at such rates as the  
25 Secretary determines are sufficient to cover the costs

1       *related to implementing the program described in*  
2       *subsection (a), including the costs of any necessary*  
3       *infrastructure or technology.*

4               (2) *DEPOSIT OF COLLECTIONS.*—*Amounts re-*  
5       *ceived from fees assessed and collected under para-*  
6       *graph (1) shall be deposited in, and credited to, an*  
7       *account solely for the purpose of carrying out the ac-*  
8       *tivities described in subsection (a). Such amounts*  
9       *shall be available to carry out such activities without*  
10       *need of further appropriation and without fiscal year*  
11       *limitation.*

12       **SEC. 2202. LIMIT REDISCLOSURES AND USES OF CONSENT-**  
13               **BASED DISCLOSURES OF TAX RETURN INFOR-**  
14               **MATION.**

15               (a) *IN GENERAL.*—*Section 6103(c) is amended by add-*  
16       *ing at the end the following: “Persons designated by the tax-*  
17       *payer under this subsection to receive return information*  
18       *shall not use the information for any purpose other than*  
19       *the express purpose for which consent was granted and shall*  
20       *not disclose return information to any other person without*  
21       *the express permission of, or request by, the taxpayer.”.*

22               (b) *APPLICATION OF PENALTIES.*—*Section 6103(a)(3)*  
23       *is amended by inserting “subsection (c),” after “return in-*  
24       *formation under”.*

1           (c) *EFFECTIVE DATE.*—*The amendments made by this*  
 2 *section shall apply to disclosures made after the date of the*  
 3 *enactment of this Act.*

4                           ***Subtitle D—Expanded Use of***  
 5                                   ***Electronic Systems***

6   ***SEC. 2301. ELECTRONIC FILING OF RETURNS.***

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

9           (b) *APPLICABLE NUMBER.*—*Section 6011(e) is amend-*  
 10 *ed by striking paragraph (5) and inserting the following*  
 11 *new paragraphs:*

12                           “(5) *APPLICABLE NUMBER.*—

13                                   “(A) *IN GENERAL.*—*For purposes of para-*  
 14 *graph (2)(A), the applicable number shall be—*

15   “(i) *except as provided in subpara-*  
 16 *graph (B), in the case of calendar years be-*  
 17 *fore 2020, 250,*

18   “(ii) *in the case of calendar year 2020,*  
 19 *100, and*

20   “(iii) *in the case of calendar years*  
 21 *after 2020, 10.*

22                                   “(B) *SPECIAL RULE FOR PARTNERSHIPS*  
 23 *FOR 2018 AND 2019.*—*In the case of a partnership,*  
 24 *for any calendar year before 2020, the applicable*  
 25 *number shall be—*



1                   “(i) in the case of calendar year 2018,  
2                   200, and

3                   “(ii) in the case of calendar year 2019,  
4                   150.

5                   “(6) *PARTNERSHIPS REQUIRED TO FILE ON MAG-*  
6                   *NETIC MEDIA.*—Notwithstanding paragraph (2)(A),  
7                   the Secretary shall require partnerships having more  
8                   than 100 partners to file returns on magnetic  
9                   media.”.

10                  (c) *RETURNS FILED BY A TAX RETURN PREPARER.*—  
11                  Section 6011(e)(3) is amended by adding at the end the  
12                  following new subparagraph:

13                         “(D) *EXCEPTION FOR CERTAIN PREPARERS*  
14                         *LOCATED IN AREAS WITHOUT INTERNET AC-*  
15                         *CESS.*—The Secretary may waive the require-  
16                         ment of subparagraph (A) if the Secretary deter-  
17                         mines, on the basis of an application by the tax  
18                         return preparer, that the preparer cannot meet  
19                         such requirement by reason of being located in a  
20                         geographic area which does not have access to  
21                         internet service (other than dial-up or satellite  
22                         service).”.

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

1 **SEC. 2302. UNIFORM STANDARDS FOR THE USE OF ELEC-**  
2 **TRONIC SIGNATURES FOR DISCLOSURE AU-**  
3 **THORIZATIONS TO, AND OTHER AUTHORIZA-**  
4 **TIONS OF, PRACTITIONERS.**

5 *Section 6061(b)(3) is amended to read as follows:*

6 *“(3) PUBLISHED GUIDANCE.—*

7 *“(A) IN GENERAL.—The Secretary shall*  
8 *publish guidance as appropriate to define and*  
9 *implement any waiver of the signature require-*  
10 *ments or any method adopted under paragraph*  
11 *(1).*

12 *“(B) ELECTRONIC SIGNATURES FOR DIS-*  
13 *CLOSURE AUTHORIZATIONS TO, AND OTHER AU-*  
14 *THORIZATIONS OF, PRACTITIONERS.—Not later*  
15 *than 6 months after the date of the enactment of*  
16 *this subparagraph, the Secretary shall publish*  
17 *guidance to establish uniform standards and*  
18 *procedures for the acceptance of taxpayers’ sig-*  
19 *natures appearing in electronic form with re-*  
20 *spect to any request for disclosure of a taxpayer’s*  
21 *return or return information under section*  
22 *6103(c) to a practitioner or any power of attor-*  
23 *ney granted by a taxpayer to a practitioner.*

24 *“(C) PRACTITIONER.—For purposes of sub-*  
25 *paragraph (B), the term ‘practitioner’ means*  
26 *any individual in good standing who is regu-*

1           *lated under section 330 of title 31, United States*  
2           *Code.”.*

3 **SEC. 2303. PAYMENT OF TAXES BY DEBIT AND CREDIT**  
4           **CARDS.**

5           *Section 6311(d)(2) is amended by adding at the end*  
6 *the following: “The preceding sentence shall not apply to*  
7 *the extent that the Secretary ensures that any such fee or*  
8 *other consideration is fully recouped by the Secretary in*  
9 *the form of fees paid to the Secretary by persons paying*  
10 *taxes imposed under subtitle A with credit, debit, or charge*  
11 *cards pursuant to such contract. Notwithstanding the pre-*  
12 *ceding sentence, the Secretary shall seek to minimize the*  
13 *amount of any fee or other consideration that the Secretary*  
14 *pays under any such contract.”.*

15 **SEC. 2304. REQUIREMENT THAT ELECTRONICALLY PRE-**  
16           **PARED PAPER RETURNS INCLUDE SCAN-**  
17           **NABLE CODE.**

18           *(a) IN GENERAL.—Subsection (e) of section 6011, as*  
19 *amended by this Act, is amended by adding at the end the*  
20 *following new paragraph:*

21           *“(7) SPECIAL RULE FOR RETURNS PREPARED*  
22 *ELECTRONICALLY AND SUBMITTED ON PAPER.—The*  
23 *Secretary shall require that any return of tax which*  
24 *is prepared electronically, but is printed and filed on*

1       *paper, bear a code which can, when scanned, convert*  
2       *such return to electronic format.”.*

3       **(b) CONFORMING AMENDMENT.**—*Paragraph (1) of sec-*  
4       *tion 6011(e) is amended by striking “paragraph (3)” and*  
5       *inserting “paragraphs (3) and (7)”.*

6       **(c) EFFECTIVE DATE.**—*The amendments made by this*  
7       *section shall apply to returns of tax the due date for which*  
8       *(determined without regard to extensions) is after December*  
9       *31, 2020.*

10   **SEC. 2305. AUTHENTICATION OF USERS OF ELECTRONIC**  
11                           **SERVICES ACCOUNTS.**

12       *Beginning 180 days after the date of the enactment*  
13       *of this Act, the Secretary of the Treasury (or the Secretary’s*  
14       *delegate) shall verify the identity of any individual opening*  
15       *an e-Services account with the Internal Revenue Service be-*  
16       *fore such individual is able to use the e-Services tools.*

17                   **Subtitle E—Other Provisions**

18   **SEC. 2401. REPEAL OF PROVISION REGARDING CERTAIN**  
19                           **TAX COMPLIANCE PROCEDURES AND RE-**  
20                           **PORTS.**

21       *Section 2004 of the Internal Revenue Service Restruc-*  
22       *turing and Reform Act of 1998 (26 U.S.C. 6012 note) is*  
23       *repealed.*

1 **SEC. 2402. COMPREHENSIVE TRAINING STRATEGY.**

2 *Not later than 1 year after the date of the enactment*  
3 *of this Act, the Commissioner of Internal Revenue shall sub-*  
4 *mit to Congress a written report providing a comprehensive*  
5 *training strategy for employees of the Internal Revenue*  
6 *Service, including—*

7 *(1) a plan to streamline current training proc-*  
8 *esses, including an assessment of the utility of further*  
9 *consolidating internal training programs, technology,*  
10 *and funding,*

11 *(2) a plan to develop annual training regarding*  
12 *taxpayer rights, including the role of the Office of the*  
13 *Taxpayer Advocate, for employees that interface with*  
14 *taxpayers and their managers,*

15 *(3) a plan to improve technology-based training,*

16 *(4) proposals to—*

17 *(A) focus employee training on early, fair,*  
18 *and efficient resolution of taxpayer disputes for*  
19 *employees that interface with taxpayers and*  
20 *their managers, and*

21 *(B) ensure consistency of skill development*  
22 *and employee evaluation throughout the Internal*  
23 *Revenue Service, and*

24 *(5) a thorough assessment of the funding nec-*  
25 *essary to implement such strategy.*

1           **TITLE III—MISCELLANEOUS**  
2                           **PROVISIONS**

3   **Subtitle A—Reform of Laws Gov-**  
4   **erning Internal Revenue Service**  
5   **Employees**

6   **SEC. 3001. ELECTRONIC RECORD RETENTION.**

7       (a) *RETENTION OF RECORDS.—*

8           (1) *IN GENERAL.—Email records of the Internal*  
9       *Revenue Service shall be retained in an appropriate*  
10      *electronic system that supports records management*  
11      *and litigation requirements, including the capability*  
12      *to identify, retrieve, and retain the records, in accord-*  
13      *ance with the requirements described in paragraph*  
14      *(2).*

15       (2) *REQUIREMENTS.—*

16           (A) *PRIOR TO CERTIFICATION.—The Com-*  
17      *missioner of Internal Revenue and the Chief*  
18      *Counsel for the Internal Revenue Service shall*  
19      *retain all email records generated on or after the*  
20      *date of the enactment of this Act and before the*  
21      *date on which the Treasury Inspector General for*  
22      *Tax Administration makes the certification*  
23      *under subsection (c)(1).*

24           (B) *PRINCIPAL OFFICERS AND SPECIFIED*  
25      *EMPLOYEES.—Not later than December 31, 2019,*

1           *the Commissioner of Internal Revenue and the*  
2           *Chief Counsel for the Internal Revenue Service*  
3           *shall maintain email records of all principal of-*  
4           *ficers and specified employees of the Internal*  
5           *Revenue Service for a period of not less than 15*  
6           *years beginning on the date such record was gen-*  
7           *erated.*

8           **(b) TRANSMISSION OF RECORDS TO THE NATIONAL**  
9           **ARCHIVES.**—*Not later than 15 years after the date on which*  
10          *an email record of a principal officer or specified employee*  
11          *of the Internal Revenue Service is generated, the Commis-*  
12          *sioner of Internal Revenue and the Chief Counsel for the*  
13          *Internal Revenue Service shall transfer such email record*  
14          *to the Archivist of the United States.*

15          **(c) COMPLIANCE.**—

16                 **(1) CERTIFICATION.**—*On the date that the Treas-*  
17                 *ury Inspector General for Tax Administration deter-*  
18                 *mines that the Internal Revenue Service has a pro-*  
19                 *gram in place that complies with the requirements of*  
20                 *subsections (a)(2)(B) and (b), the Treasury Inspector*  
21                 *General for Tax Administration shall certify to the*  
22                 *Committee on Ways and Means of the House of Rep-*  
23                 *resentatives and the Committee on Finance of the*  
24                 *Senate that the Internal Revenue Service is in com-*  
25                 *pliance with such requirements.*

1           (2) *REPORTS.*—

2                   (A) *INTERIM REPORT.*—Not later than De-  
3                   cember 31, 2019, the Treasury Inspector General  
4                   for Tax Administration shall submit a report to  
5                   the Committee on Ways and Means of the House  
6                   of Representatives and the Committee on Fi-  
7                   nance of the Senate on the steps being taken by  
8                   the Commissioner of Internal Revenue and the  
9                   Chief Counsel for the Internal Revenue Service to  
10                  comply with the requirements of subsections  
11                  (a)(2)(B) and (b).

12                  (B) *FINAL REPORT.*—Not later than April  
13                  1, 2020, the Treasury Inspector General for Tax  
14                  Administration shall submit a report to the  
15                  Committee on Ways and Means of the House of  
16                  Representatives and the Committee on Finance  
17                  of the Senate describing whether the Internal  
18                  Revenue Service is in compliance with the re-  
19                  quirements of subsections (a)(2)(B) and (b).

20           (d) *DEFINITIONS.*—For purposes of this section—

21                   (1) *PRINCIPAL OFFICER.*—The term “principal  
22                   officer” means, with respect to the Internal Revenue  
23                   Service—

24                           (A) any employee whose position is listed  
25                           under the Internal Revenue Service in the most



1           *recent version of the United States Government*  
2           *Manual published by the Office of the Federal*  
3           *Register;*

4           *(B) any employee who is a senior staff*  
5           *member reporting directly to the Commissioner*  
6           *of Internal Revenue or the Chief Counsel for the*  
7           *Internal Revenue Service; and*

8           *(C) any associate counsel, deputy counsel,*  
9           *or division head in the Office of the Chief Coun-*  
10          *sel for the Internal Revenue Service.*

11          (2) *SPECIFIED EMPLOYEE.—The term “specified*  
12          *employee” means, with respect to the Internal Rev-*  
13          *enue Service, any employee who—*

14                 *(A) holds a Senior Executive Service posi-*  
15                 *tion (as defined in section 3132 of title 5, United*  
16                 *States Code) in the Internal Revenue Service or*  
17                 *the Office of Chief Counsel for the Internal Rev-*  
18                 *enue Service; and*

19                 *(B) is not a principal officer of the Internal*  
20                 *Revenue Service.*

1 **SEC. 3002. PROHIBITION ON REHIRING ANY EMPLOYEE OF**  
2 **THE INTERNAL REVENUE SERVICE WHO WAS**  
3 **INVOLUNTARILY SEPARATED FROM SERVICE**  
4 **FOR MISCONDUCT.**

5 (a) *IN GENERAL.*—Section 7804 is amended by adding  
6 at the end the following new subsection:

7 “(d) *PROHIBITION ON REHIRING EMPLOYEES INVOL-*  
8 *UNTARILY SEPARATED.*—The Commissioner may not hire  
9 any individual previously employed by the Commissioner  
10 who was removed for misconduct under this subchapter or  
11 chapter 43 or chapter 75 of title 5, United States Code, or  
12 whose employment was terminated under section 1203 of  
13 the Internal Revenue Service Restructuring and Reform Act  
14 of 1998 (26 U.S.C. 7804 note).”.

15 (b) *EFFECTIVE DATE.*—The amendment made by sub-  
16 section (a) shall apply with respect to the hiring of employ-  
17 ees after the date of the enactment of this Act.

18 **SEC. 3003. NOTIFICATION OF UNAUTHORIZED INSPECTION**  
19 **OR DISCLOSURE OF RETURNS AND RETURN**  
20 **INFORMATION.**

21 (a) *IN GENERAL.*—Subsection (e) of section 7431 is  
22 amended by adding at the end the following new sentences:  
23 “The Secretary shall also notify such taxpayer if the Inter-  
24 nal Revenue Service or a Federal or State agency (upon  
25 notice to the Secretary by such Federal or State agency)  
26 proposes an administrative determination as to discipli-

1 nary or adverse action against an employee arising from  
2 the employee's unauthorized inspection or disclosure of the  
3 taxpayer's return or return information. The notice de-  
4 scribed in this subsection shall include the date of the unau-  
5 thorized inspection or disclosure and the rights of the tax-  
6 payer under such administrative determination.”.

7 (b) *EFFECTIVE DATE.*—The amendment made by this  
8 section shall apply to determinations proposed after the  
9 date which is 180 days after the date of the enactment of  
10 this Act.

11 ***Subtitle B—Provisions Relating to***  
12 ***Exempt Organizations***

13 ***SEC. 3101. MANDATORY E-FILING BY EXEMPT ORGANIZA-***  
14 ***TIONS.***

15 (a) *IN GENERAL.*—Section 6033 is amended by redес-  
16 ignating subsection (n) as subsection (o) and by inserting  
17 after subsection (m) the following new subsection:

18 “(n) *MANDATORY ELECTRONIC FILING.*—Any organi-  
19 zation required to file a return under this section shall file  
20 such return in electronic form.”.

21 (b) *CONFORMING AMENDMENT.*—Paragraph (7) of sec-  
22 tion 527(j) is amended by striking “if the organization has”  
23 and all that follows through “such calendar year”.

24 (c) *INSPECTION OF ELECTRONICALLY FILED ANNUAL*  
25 *RETURNS.*—Subsection (b) of section 6104 is amended by

1 adding at the end the following: “Any annual return re-  
2 quired to be filed electronically under section 6033(n) shall  
3 be made available by the Secretary to the public as soon  
4 as practicable in a machine readable format.”.

5 (d) *EFFECTIVE DATE.*—

6 (1) *IN GENERAL.*—*Except as provided in para-*  
7 *graph (2), the amendments made by this section shall*  
8 *apply to taxable years beginning after the date of the*  
9 *enactment of this Act.*

10 (2) *TRANSITIONAL RELIEF.*—

11 (A) *SMALL ORGANIZATIONS.*—

12 (i) *IN GENERAL.*—*In the case of any*  
13 *small organizations, or any other organiza-*  
14 *tions for which the Secretary of the Treas-*  
15 *ury or the Secretary’s delegate (hereafter re-*  
16 *ferred to in this paragraph as the “Sec-*  
17 *retary”)* determines the application of the  
18 amendments made by this section would  
19 cause undue burden without a delay, the  
20 Secretary may delay the application of such  
21 amendments, but such delay shall not apply  
22 to any taxable year beginning on or after  
23 the date 2 years after of the enactment of  
24 this Act.

1                   (ii) *SMALL ORGANIZATION.*—*For pur-*  
2                   poses of clause (i), the term “small organi-  
3                   zation” means any organization—

4                               (I) *the gross receipts of which for*  
5                               *the taxable year are less than*  
6                               *\$200,000; and*

7                               (II) *the aggregate gross assets of*  
8                               *which at the end of the taxable year*  
9                               *are less than \$500,000.*

10                   (B) *ORGANIZATIONS FILING FORM 990-T.*—

11                   *In the case of any organization described in sec-*  
12                   *tion 511(a)(2) of the Internal Revenue Code of*  
13                   *1986 which is subject to the tax imposed by sec-*  
14                   *tion 511(a)(1) of such Code on its unrelated*  
15                   *business taxable income, or any organization re-*  
16                   *quired to file a return under section 6033 of such*  
17                   *Code and include information under subsection*  
18                   *(e) thereof, the Secretary may delay the applica-*  
19                   *tion of the amendments made by this section, but*  
20                   *such delay shall not apply to any taxable year*  
21                   *beginning on or after the date 2 years after of*  
22                   *the enactment of this Act.*

1 **SEC. 3102. NOTICE REQUIRED BEFORE REVOCATION OF TAX**  
2 **EXEMPT STATUS FOR FAILURE TO FILE RE-**  
3 **TURN.**

4 (a) *IN GENERAL.*—Section 6033(j)(1) is amended by  
5 striking “If an organization” and inserting the following:

6 “(A) *NOTICE.*—

7 “(i) *IN GENERAL.*—After an organiza-  
8 tion described in subsection (a)(1) or (i)  
9 fails to file the annual return or notice re-  
10 quired under either subsection for 2 consec-  
11 utive years, the Secretary shall notify the or-  
12 ganization—

13 “(I) that the Internal Revenue  
14 Service has no record of such a return  
15 or notice from such organization for 2  
16 consecutive years, and

17 “(II) about the revocation that  
18 will occur under subparagraph (B) if  
19 the organization fails to file such a re-  
20 turn or notice by the due date for the  
21 next such return or notice required to  
22 be filed.

23 The notification under the preceding sen-  
24 tence shall include information about how  
25 to comply with the filing requirements  
26 under subsection (a)(1) and (i).

1                   “(B) *REVOCATION.*—*If an organization*”.

2           (b) *EFFECTIVE DATE.*—*The amendment made by this*  
3 *section shall apply to failures to file returns or notices for*  
4 *2 consecutive years if the return or notice for the second*  
5 *year is required to be filed after December 31, 2018.*

6                   ***Subtitle C—Tax Court***

7   ***SEC. 3301. DISQUALIFICATION OF JUDGE OR MAGISTRATE***

8                   ***JUDGE OF THE TAX COURT.***

9           (a) *IN GENERAL.*—*Part II of subchapter C of chapter*  
10 *76 is amended by adding at the end the following new sec-*  
11 *tion:*

12   ***“SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE***

13                   ***JUDGE OF THE TAX COURT.***

14           “*Section 455 of title 28, United States Code, shall*  
15 *apply to judges and magistrate judges of the Tax Court and*  
16 *to proceedings of the Tax Court.*”.

17           (b) *CLERICAL AMENDMENT.*—*The table of sections for*  
18 *such part is amended by adding at the end the following*  
19 *new item:*

          “*Sec. 7467. Disqualification of judge or magistrate judge of the Tax Court.*”.

20   ***SEC. 3302. OPINIONS AND JUDGMENTS.***

21           (a) *IN GENERAL.*—*Section 7459 is amended by strik-*  
22 *ing all the precedes subsection (c) and inserting the fol-*  
23 *lowing:*

1 **“SEC. 7459. OPINIONS AND JUDGMENTS.**

2       “(a) *REQUIREMENT.*—*An opinion upon any pro-*  
3 *ceeding instituted before the Tax Court and a judgment*  
4 *thereon shall be made as quickly as practicable. The judg-*  
5 *ment shall be made by a judge in accordance with the opin-*  
6 *ion of the Tax Court, and such judgment so made shall,*  
7 *when entered, be the judgment of the Tax Court.*

8       “(b) *INCLUSION OF FINDINGS OF FACT IN OPINION.*—  
9 *It shall be the duty of the Tax Court and of each division*  
10 *to include in its opinion or memorandum opinion upon*  
11 *any proceeding, its findings of fact. The Tax Court shall*  
12 *issue in writing all of its findings of fact, opinions, and*  
13 *memorandum opinions. Subject to such conditions as the*  
14 *Tax Court may by rule provide, the requirements of this*  
15 *subsection and of section 7460 are met if findings of fact*  
16 *or opinion are stated orally and recorded in the transcript*  
17 *of the proceedings.”.*

18       “(b) *REFERENCES.*—*Section 7459 is amended by redес-*  
19 *ignating subsection (g) as subsection (h) and by inserting*  
20 *after subsection (f) the following new subsection:*

21       “(g) *REFERENCES.*—*Any reference in this title to a*  
22 *decision or report of the Tax Court shall be treated as a*  
23 *reference to a judgment or opinion of the Tax Court, respec-*  
24 *tively.”.*



1           (c) *CONFORMING AMENDMENT.*—*The item relating to*  
2 *section 7459 in the table of sections for part II of subchapter*  
3 *C of chapter 76 is amended to read as follows:*

          “*Sec. 7459. Opinions and judgments.*”.

4           (d) *CONTINUING EFFECT OF LEGAL DOCUMENTS.*—*All*  
5 *orders, decisions, reports, rules, permits, agreements,*  
6 *grants, contracts, certificates, licenses, registrations, privi-*  
7 *leges, and other administrative actions, in connection with*  
8 *the Tax Court, which are in effect at the time this section*  
9 *takes effect, or were final before the effective date of this*  
10 *section and are to become effective on or after the effective*  
11 *date of this section, shall continue in effect according to*  
12 *their terms until modified, terminated, superseded, set*  
13 *aside, or revoked in accordance with law by the Tax Court.*

14 **SEC. 3303. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO**  
15 **MAGISTRATE JUDGE OF THE TAX COURT.**

16           (a) *IN GENERAL.*—*Section 7443A is amended—*

17               (1) *by striking “special trial judges” in sub-*  
18 *sections (a) and (e) and inserting “magistrate judges*  
19 *of the Tax Court”,*

20               (2) *by striking “special trial judges of the court”*  
21 *in subsection (b) and inserting “magistrate judges of*  
22 *the Tax Court”, and*

23               (3) *by striking “special trial judge” in sub-*  
24 *sections (c) and (d) and inserting “magistrate judge*  
25 *of the Tax Court”.*

1 (b) *CONFORMING AMENDMENTS.*—

2 (1) *The heading of section 7443A is amended by*  
3 *striking “SPECIAL TRIAL JUDGES” and inserting*  
4 *“MAGISTRATE JUDGES OF THE TAX COURT”.*

5 (2) *The heading of section 7443A(b) is amended*  
6 *by striking “SPECIAL TRIAL JUDGES” and inserting*  
7 *“MAGISTRATE JUDGES OF THE TAX COURT”.*

8 (3) *The item relating to section 7443A in the*  
9 *table of sections for part I of subchapter C of chapter*  
10 *76 is amended to read as follows:*

*“Sec. 7443A. Magistrate judges of the Tax Court.”.*

11 (4) *The heading of section 7448 is amended by*  
12 *striking “SPECIAL TRIAL JUDGES” and inserting*  
13 *“MAGISTRATE JUDGES OF THE TAX COURT”.*

14 (5) *Section 7448 is amended—*

15 (A) *by striking “special trial judge’s” each*  
16 *place it appears in subsections (a)(6), (c)(1), (d),*  
17 *and (m)(1) and inserting “magistrate judge of*  
18 *the Tax Court’s”, and*

19 (B) *by striking “special trial judge” each*  
20 *place it appears other than in subsection (n) and*  
21 *inserting “magistrate judge of the Tax Court”.*

22 (6) *Section 7448(n) is amended—*

23 (A) *by striking “special trial judge which*  
24 *are allowable” and inserting “magistrate judge*  
25 *of the Tax Court which are allowable”, and*

1           (B) by striking “special trial judge of the  
2           Tax Court” both places it appears and inserting  
3           “magistrate judge of the Tax Court”.

4           (7) The heading of section 7448(b)(2) is amended  
5           by striking “SPECIAL TRIAL JUDGES” and inserting  
6           “MAGISTRATE JUDGES OF THE TAX COURT”.

7           (8) The item relating to section 7448 in the table  
8           of sections for part I of subchapter C of chapter 76  
9           is amended to read as follows:

          “Sec. 7448. Annuities to surviving spouses and dependent children of judges and  
          magistrate judges of the Tax Court.”.

10          (9) Section 7456(a) is amended—

11               (A) by striking “special trial judge” each  
12               place it appears and inserting “magistrate  
13               judge”, and

14               (B) by striking “(or by the clerk” and in-  
15               serting “of the Tax Court (or by the clerk”.

16          (10) Section 7466(a) is amended by striking  
17               “special trial judge” and inserting “magistrate  
18               judge”.

19          (11) Section 7470A is amended by striking “spe-  
20               cial trial judges” both places it appears in subsections  
21               (a) and (b) and inserting “magistrate judges”.

22          (12) Section 7471(a)(2)(A) is amended by strik-  
23               ing “special trial judges” and inserting “magistrate  
24               judges”.

1           (13) Section 7471(c) is amended—

2                   (A) by striking “SPECIAL TRIAL JUDGES”  
3           in the heading and inserting “MAGISTRATE  
4           JUDGES OF THE TAX COURT”, and

5                   (B) by striking “special trial judges” and  
6           inserting “magistrate judges”.

7   **SEC. 3304. REPEAL OF DEADWOOD RELATED TO BOARD OF**  
8                   **TAX APPEALS.**

9           (a) Section 7459, as amended by this Act, is amended  
10 by striking subsection (f) and by redesignating subsections  
11 (g) and (h) as subsections (f) and (g), respectively.

12           (b) Section 7447(a)(3) is amended to read as follows:

13                   “(3) In any determination of length of service as  
14           judge or as a judge of the Tax Court of the United  
15           States there shall be included all periods (whether or  
16           not consecutive) during which an individual served as  
17           judge.”.

Attest:

Clerk.



115<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H.R. 88**

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**HOUSE AMENDMENT TO  
SENATE AMENDMENT**