

RULES COMMITTEE PRINT 115-86
TEXT OF THE HOUSE AMENDMENT TO THE
SENATE AMENDMENT TO H.R. 88

[Showing the text of the Retirement, Savings, and Other Tax Relief Act of 2018 and the Taxpayer First Act of 2018.]

In lieu of the matter proposed to be inserted by 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 other-
8 wise expressly provided, whenever in this division an
9 amendment or repeal is expressed in terms of an amend-
10 ment to, or repeal of, a section or other provision, the ref-
11 erence shall be considered to be made to a section or other
12 provision of the Internal Revenue Code of 1986.

13 (c) **TABLE OF CONTENTS.**—The table of contents for
14 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—OTHER PROVISIONS

- Sec. 401. Technical amendments relating to Public Law 115–97.
- Sec. 402. Clarification of treatment of veterans as specified group for purposes of the low-income housing tax credit.
- Sec. 403. Clarification of general public use requirement for qualified residential rental projects.
- Sec. 404. Floor plan financing applicable to certain trailers and campers.
- Sec. 405. Repeal of increase in unrelated business taxable income by disallowed fringe.
- Sec. 406. Certain purchases of employee-owned stock disregarded for purposes of foundation tax on excess business holdings.
- Sec. 407. Allowing 501(c)(3) organization to make statements relating to political campaign in ordinary course of carrying out its tax exempt purpose.
- Sec. 408. Charitable organizations permitted to make collegiate housing and infrastructure grants.
- Sec. 409. 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
6 term “qualified disaster area” means the Hurri-
7 cane Florence disaster area; the Hurricane Mi-
8 chael disaster area; the Typhoon Mangkut dias-
9 ter area; the Typhoon Yutu disaster area; the
10 Mendocino wildfire disaster area; the Camp and
11 Woolsey wildfire disaster area; the Kilauea vol-
12 canic eruption and earthquake disaster area;
13 the Hawaii severe storms, flooding, landslides,
14 and mudslides disaster area; the Wisconsin se-
15 vere storms, tornadoes, straight-line winds,
16 flooding, and landslides disaster area; the Texas

1 severe storms and flooding disaster area; the
2 North Carolina tornado and severe storms dis-
3 aster area; the Indiana severe storms and flood-
4 ing disaster area; the Alabama severe storms
5 and tornadoes disaster area; and the Tropical
6 Storm Gita disaster area.

7 (B) QUALIFIED DISASTER ZONE.—The
8 term “qualified disaster zone” means that por-
9 tion of any qualified disaster area which is de-
10 termined by the President to warrant individual
11 or individual and public assistance from the
12 Federal Government under the Robert T. Staf-
13 ford Disaster Relief and Emergency Assistance
14 Act by reason of the qualified disaster with re-
15 spect to such disaster area.

16 (C) QUALIFIED DISASTER.—The term
17 “qualified disaster” means, with respect to any
18 qualified disaster area, the disaster by reason of
19 which a major disaster was declared with re-
20 spect to such area.

21 (2) HURRICANE FLORENCE.—

22 (A) HURRICANE FLORENCE DISASTER
23 AREA.—The term “Hurricane Florence disaster
24 area” means an area with respect to which a
25 major disaster has been declared by the Presi-

1 dent before December 10, 2018, under section
2 401 of the Robert T. Stafford Disaster Relief
3 and Emergency Assistance Act by reason of
4 Hurricane Florence.

5 (B) INCIDENT BEGINNING DATE.—The in-
6 cident beginning date of Hurricane Florence is
7 September 7, 2018.

8 (C) INCIDENT PERIOD.—The incident pe-
9 riod of Hurricane Florence is the period begin-
10 ning on the incident beginning date of Hurri-
11 cane Florence and ending on October 8, 2018.

12 (3) HURRICANE MICHAEL.—

13 (A) HURRICANE MICHAEL DISASTER
14 AREA.—The term “Hurricane Michael disaster
15 area” means an area with respect to which a
16 major disaster has been declared by the Presi-
17 dent before December 10, 2018, under section
18 401 of the Robert T. Stafford Disaster Relief
19 and Emergency Assistance Act by reason of
20 Hurricane Michael.

21 (B) INCIDENT BEGINNING DATE.—The in-
22 cident beginning date of Hurricane Michael is
23 October 7, 2018.

24 (C) INCIDENT PERIOD.—The incident pe-
25 riod of Hurricane Michael is the period begin-

1 ning on the incident beginning date of Hurri-
2 cane Michael and ending on October 23, 2018.

3 (4) TYPHOON MANGKHUT.—

4 (A) TYPHOON MANGKHUT DISASTER
5 AREA.—The term “Typhoon Mangkhut disaster
6 area” means an area with respect to which a
7 major disaster has been declared by the Presi-
8 dent before December 10, 2018, under section
9 401 of the Robert T. Stafford Disaster Relief
10 and Emergency Assistance Act by reason of Ty-
11 phoon Mangkhut.

12 (B) INCIDENT BEGINNING DATE.—The in-
13 cident beginning date of Typhoon Mangkhut is
14 September 10, 2018.

15 (C) INCIDENT PERIOD.—The incident pe-
16 riod of Typhoon Mangkhut is the period begin-
17 ning on the incident beginning date of Typhoon
18 Mangkhut and ending on September 11, 2018.

19 (5) TYPHOON YUTU.—

20 (A) TYPHOON YUTU DISASTER AREA.—The
21 term “Typhoon Yutu disaster area” means an
22 area with respect to which a major disaster has
23 been declared by the President before December
24 10, 2018, under section 401 of the Robert T.

1 Stafford Disaster Relief and Emergency Assist-
2 ance Act by reason of Typhoon Yutu.

3 (B) INCIDENT BEGINNING DATE.—The in-
4 cident beginning date of Typhoon Yutu is Octo-
5 ber 24, 2018.

6 (C) INCIDENT PERIOD.—The incident pe-
7 riod of Typhoon Yutu is the period beginning
8 on the incident beginning date of Typhoon Yutu
9 and ending on October 26, 2018.

10 (6) MENDOCINO WILDFIRE.—

11 (A) MENDOCINO WILDFIRE DISASTER
12 AREA.—The term “Mendocino wildfire disaster
13 area” means an area with respect to which be-
14 tween August 4, 2018, and December 10, 2018,
15 a major disaster has been declared by the Presi-
16 dent under section 401 of the Robert T. Staf-
17 ford Disaster Relief and Emergency Assistance
18 Act by reason of the wildfire in California com-
19 monly known as the Mendocino wildfire of 2018
20 (including the Carr wildfire of 2018).

21 (B) INCIDENT BEGINNING DATE.—The in-
22 cident beginning date of the wildfires referred
23 to in subparagraph (A) is July 23, 2018.

24 (C) INCIDENT PERIOD.—The incident pe-
25 riod of the wildfires referred to in subparagraph

1 (A) is the period beginning on the incident be-
2 ginning date of such wildfires and ending on
3 September 19, 2018.

4 (7) CAMP AND WOOLSEY WILDFIRES.—

5 (A) CAMP AND WOOLSEY WILDFIRE DIS-
6 ASTER AREA.—The term “Camp and Woolsey
7 wildfire disaster area” means an area with re-
8 spect to which between November 12, 2018,
9 and December 10, 2018, a major disaster has
10 been declared by the President under section
11 401 of the Robert T. Stafford Disaster Relief
12 and Emergency Assistance Act by reason of the
13 wildfires in California commonly known as the
14 Camp and Woolsey wildfires of 2018 (including
15 the Hill wildfire of 2018).

16 (B) INCIDENT BEGINNING DATE.—The in-
17 cident beginning date of the wildfires referred
18 to in subparagraph (A) is November 8, 2018.

19 (C) INCIDENT PERIOD.—The incident pe-
20 riod of the wildfires referred to in subparagraph
21 (A) is the period beginning on the incident be-
22 ginning date of such wildfires and ending on
23 November 25, 2018.

24 (8) KILAUEA VOLCANIC ERUPTION AND EARTH-
25 QUAKES.—

1 (A) KILAUEA VOLCANIC ERUPTION AND
2 EARTHQUAKE DISASTER AREA.—The term
3 “Kilauea volcanic eruption and earthquake dis-
4 aster area” means an area with respect to
5 which between May 11, 2018, and December
6 10, 2018, a major disaster has been declared by
7 the President under section 401 of the Robert
8 T. Stafford Disaster Relief and Emergency As-
9 sistance Act by reason of the Kilauea volcanic
10 eruption and earthquakes occurring in Hawaii
11 during the period beginning on May 3, 2018,
12 and ending on August 17, 2018.

13 (B) INCIDENT BEGINNING DATE.—The in-
14 cident beginning date of the volcanic eruption
15 and earthquakes referred to in subparagraph
16 (A) is May 3, 2018.

17 (C) INCIDENT PERIOD.—The incident pe-
18 riod of the volcanic eruption and earthquakes
19 referred to in subparagraph (A) is the period
20 beginning on the incident beginning date with
21 respect to such eruption and earthquakes and
22 ending on August 17, 2018.

23 (9) HAWAII SEVERE STORMS, FLOODING, LAND-
24 SLIDES, AND MUDSLIDES.—

1 (A) HAWAII SEVERE STORMS, FLOODING,
2 LANDSLIDES, AND MUDSLIDES DISASTER
3 AREA.—The term “Hawaii severe storms, flood-
4 ing, landslides, and mudslides disaster area”
5 means an area with respect to which between
6 May 8, 2018, and December 10, 2018, a major
7 disaster has been declared by the President
8 under section 401 of the Robert T. Stafford
9 Disaster Relief and Emergency Assistance Act
10 by reason of the severe storms, flooding, land-
11 slides, and mudslides occurring in Hawaii dur-
12 ing the period beginning on April 13, 2018, and
13 ending on April 16, 2018.

14 (B) INCIDENT BEGINNING DATE.—The in-
15 cident beginning date of the severe storms,
16 flooding, landslides, and mudslides referred to
17 in subparagraph (A) is April 13, 2018.

18 (C) INCIDENT PERIOD.—The incident pe-
19 riod of the severe storms, flooding, landslides,
20 and mudslides referred to in subparagraph (A)
21 is the period beginning on the incident begin-
22 ning date with respect to such severe storms,
23 flooding, landslides, and mudslides and ending
24 on April 16, 2018.

1 (10) WISCONSIN SEVERE STORMS, TORNADOES,
2 STRAIGHT-LINE WINDS, FLOODING, AND LAND-
3 SLIDES.—

4 (A) WISCONSIN SEVERE STORMS, TORNA-
5 DOES, STRAIGHT-LINE WINDS, FLOODING, AND
6 LANDSLIDES DISASTER AREA.—The term “Wis-
7 consin severe storms, tornadoes, straight-line
8 winds, flooding, and landslides disaster area”
9 means an area with respect to which between
10 October 18, 2018, and December 10, 2018, a
11 major disaster has been declared by the Presi-
12 dent under section 401 of the Robert T. Staf-
13 ford Disaster Relief and Emergency Assistance
14 Act by reason of the severe storms, tornadoes,
15 straight-line winds, flooding, and landslides oc-
16 curring in Wisconsin during the period begin-
17 ning on August 17, 2018, and ending on Sep-
18 tember 14, 2018.

19 (B) INCIDENT BEGINNING DATE.—The in-
20 cident beginning date of the severe storms, tor-
21 nadoes, straight-line winds, flooding, and land-
22 slides referred to in subparagraph (A) is Au-
23 gust 17, 2018.

24 (C) INCIDENT PERIOD.—The incident pe-
25 riod of the severe storms, tornadoes, straight-

1 line winds, flooding, and landslides referred to
2 in subparagraph (A) is the period beginning on
3 the incident beginning date with respect to such
4 severe storms, tornadoes, straight-line winds,
5 flooding, and landslides and ending on Sep-
6 tember 14, 2018.

7 (11) TEXAS SEVERE STORMS AND FLOODING.—

8 (A) TEXAS SEVERE STORMS AND FLOOD-
9 ING DISASTER AREA.—The term “Texas severe
10 storms and flooding disaster area” means an
11 area with respect to which between July 6,
12 2018, and December 10, 2018, a major disaster
13 has been declared by the President under sec-
14 tion 401 of the Robert T. Stafford Disaster Re-
15 lief and Emergency Assistance Act by reason of
16 the severe storms and flooding occurring in
17 Texas during the period beginning on June 19,
18 2018, and ending on July 13, 2018.

19 (B) INCIDENT BEGINNING DATE.—The in-
20 cident beginning date of the severe storms and
21 flooding referred to in subparagraph (A) is
22 June 19, 2018.

23 (C) INCIDENT PERIOD.—The incident pe-
24 riod of the severe storms and flooding referred
25 to in subparagraph (A) is the period beginning

1 on the incident beginning date with respect to
2 such severe storms and flooding and ending on
3 July 13, 2018.

4 (12) NORTH CAROLINA TORNADO AND SEVERE
5 STORMS.—

6 (A) NORTH CAROLINA TORNADO AND SE-
7 VERE STORMS DISASTER AREA.—The term
8 “North Carolina tornado and severe storms dis-
9 aster area” means an area with respect to
10 which between May 8, 2018, and December 10,
11 2018, a major disaster has been declared by the
12 President under section 401 of the Robert T.
13 Stafford Disaster Relief and Emergency Assist-
14 ance Act by reason of the tornado and severe
15 storms occurring in North Carolina on April 15,
16 2018.

17 (B) INCIDENT BEGINNING DATE; INCIDENT
18 PERIOD.—The incident beginning date, and in-
19 cident period, of the tornado and severe storms
20 referred to in subparagraph (A) is April 15,
21 2018.

22 (13) INDIANA SEVERE STORMS AND FLOOD-
23 ING.—

24 (A) INDIANA SEVERE STORMS AND FLOOD-
25 ING DISASTER AREA.—The term “Indiana se-

1 vere storms and flooding disaster area” means
2 an area with respect to which between May 4,
3 2018, and December 10, 2018, a major disaster
4 has been declared by the President under sec-
5 tion 401 of the Robert T. Stafford Disaster Re-
6 lief and Emergency Assistance Act by reason of
7 the severe storms and flooding occurring in In-
8 diana during the period beginning on February
9 14, 2018, and ending on March 4, 2018.

10 (B) INCIDENT BEGINNING DATE.—The in-
11 cident beginning date of the severe storms and
12 flooding referred to in subparagraph (A) is
13 February 14, 2018.

14 (C) INCIDENT PERIOD.—The incident pe-
15 riod of the severe storms and flooding referred
16 to in subparagraph (A) is the period beginning
17 on the incident beginning date with respect to
18 such severe storms and flooding and ending on
19 March 4, 2018.

20 (14) ALABAMA SEVERE STORMS AND TORNA-
21 DOES.—

22 (A) ALABAMA SEVERE STORMS AND TOR-
23 NADOES DISASTER AREA.—The term “Alabama
24 severe storms and tornadoes disaster area”
25 means an area with respect to which between

1 April 26, 2018, and December 10, 2018, a
2 major disaster has been declared by the Presi-
3 dent under section 401 of the Robert T. Staf-
4 ford Disaster Relief and Emergency Assistance
5 Act by reason of the severe storms and torna-
6 does occurring in Alabama during the period
7 beginning on March 19, 2018, and ending on
8 March 20, 2018.

9 (B) INCIDENT BEGINNING DATE.—The in-
10 cident beginning date of the severe storms and
11 tornadoes referred to in subparagraph (A) is
12 March 19, 2018.

13 (C) INCIDENT PERIOD.—The incident pe-
14 riod of the severe storms and tornadoes referred
15 to in subparagraph (A) is the period beginning
16 on the incident beginning date with respect to
17 such severe storms and tornadoes and ending
18 on March 20, 2018.

19 (15) TROPICAL STORM GITA.—

20 (A) TROPICAL STORM GITA DISASTER
21 AREA.—The term “Tropical Storm Gita dis-
22 aster area” means an area with respect to
23 which a major disaster has been declared by the
24 President before December 10, 2018, under
25 section 401 of the Robert T. Stafford Disaster

1 Relief and Emergency Assistance Act by reason
2 of Tropical Storm Gita.

3 (B) INCIDENT BEGINNING DATE.—The in-
4 cident beginning date of Tropical Storm Gita is
5 February 7, 2018.

6 (C) INCIDENT PERIOD.—The incident pe-
7 riod of Tropical Storm Gita is the period begin-
8 ning on the incident beginning date of Tropical
9 Storm Gita and ending on February 12, 2018.

10 **SEC. 102. SPECIAL DISASTER-RELATED RULES FOR USE OF**
11 **RETIREMENT FUNDS.**

12 (a) TAX-FAVORED WITHDRAWALS FROM RETIRE-
13 MENT PLANS.—

14 (1) IN GENERAL.—Section 72(t) of the Internal
15 Revenue Code of 1986 shall not apply to any quali-
16 fied disaster distribution.

17 (2) AGGREGATE DOLLAR LIMITATION.—

18 (A) IN GENERAL.—For purposes of this
19 subsection, the aggregate amount of distribu-
20 tions received by an individual which may be
21 treated as qualified disaster distributions for
22 any taxable year shall not exceed the excess (if
23 any) of—

24 (i) \$100,000, over

1 (ii) the aggregate amounts treated as
2 qualified disaster distributions received by
3 such individual for all prior taxable years.

4 (B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would
5 (without regard to subparagraph (A)) be a
6 qualified disaster distribution, a plan shall not
7 be treated as violating any requirement of the
8 Internal Revenue Code of 1986 merely because
9 the plan treats such distribution as a qualified
10 disaster distribution, unless the aggregate
11 amount of such distributions from all plans
12 maintained by the employer (and any member
13 of any controlled group which includes the em-
14 ployer) to such individual exceeds \$100,000.

16 (C) CONTROLLED GROUP.—For purposes
17 of subparagraph (B), the term “controlled
18 group” means any group treated as a single
19 employer under subsection (b), (c), (m), or (o)
20 of section 414 of the Internal Revenue Code of
21 1986.

22 (D) SPECIAL RULE FOR INDIVIDUALS AF-
23 FECTED BY MORE THAN ONE DISASTER.—The
24 limitation of subparagraph (A) shall be applied
25 separately with respect to distributions made

1 with respect to each qualified disaster which is
2 described in a separate paragraph of section
3 101.

4 (3) AMOUNT DISTRIBUTED MAY BE REPAID.—

5 (A) IN GENERAL.—Any individual who re-
6 ceives a qualified disaster distribution may, at
7 any time during the 3-year period beginning on
8 the day after the date on which such distribu-
9 tion was received, make 1 or more contributions
10 in an aggregate amount not to exceed the
11 amount of such distribution to an eligible retire-
12 ment plan of which such individual is a bene-
13 ficiary and to which a rollover contribution of
14 such distribution could be made under section
15 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or
16 457(e)(16), of the Internal Revenue Code of
17 1986, as the case may be.

18 (B) TREATMENT OF REPAYMENTS OF DIS-
19 TRIBUTIONS FROM ELIGIBLE RETIREMENT
20 PLANS OTHER THAN IRAS.—For purposes of
21 the Internal Revenue Code of 1986, if a con-
22 tribution is made pursuant to subparagraph (A)
23 with respect to a qualified disaster distribution
24 from an eligible retirement plan other than an
25 individual retirement plan, then the taxpayer

1 shall, to the extent of the amount of the con-
2 tribution, be treated as having received the
3 qualified disaster distribution in an eligible roll-
4 over distribution (as defined in section
5 402(c)(4) of such Code) and as having trans-
6 ferred the amount to the eligible retirement
7 plan in a direct trustee to trustee transfer with-
8 in 60 days of the distribution.

9 (C) TREATMENT OF REPAYMENTS OF DIS-
10 TRIBUTIONS FROM IRAS.—For purposes of the
11 Internal Revenue Code of 1986, if a contribu-
12 tion is made pursuant to subparagraph (A)
13 with respect to a qualified disaster distribution
14 from an individual retirement plan (as defined
15 by section 7701(a)(37) of such Code), then, to
16 the extent of the amount of the contribution,
17 the qualified disaster distribution shall be treat-
18 ed as a distribution described in section
19 408(d)(3) of such Code and as having been
20 transferred to the eligible retirement plan in a
21 direct trustee to trustee transfer within 60 days
22 of the distribution.

23 (4) DEFINITIONS.—For purposes of this sub-
24 section—

1 (A) QUALIFIED DISASTER DISTRIBUTION.—Except as provided in paragraph (2),
2 the term “qualified disaster distribution” means
3 any distribution from an eligible retirement
4 plan made on or after the incident beginning
5 date of a qualified disaster and before January
6 1, 2020, to an individual whose principal place
7 of abode at any time during the incident period
8 of such qualified disaster is located in the quali-
9 fied disaster area with respect to such qualified
10 disaster and who has sustained an economic
11 loss by reason of such qualified disaster.
12

13 (B) ELIGIBLE RETIREMENT PLAN.—The
14 term “eligible retirement plan” shall have the
15 meaning given such term by section
16 402(c)(8)(B) of the Internal Revenue Code of
17 1986.

18 (5) INCOME INCLUSION SPREAD OVER 3-YEAR
19 PERIOD.—

20 (A) IN GENERAL.—In the case of any
21 qualified disaster distribution, unless the tax-
22 payer elects not to have this paragraph apply
23 for any taxable year, any amount required to be
24 included in gross income for such taxable year

1 shall be so included ratably over the 3-taxable-
2 year period beginning with such taxable year.

3 (B) SPECIAL RULE.—For purposes of sub-
4 paragraph (A), rules similar to the rules of sub-
5 paragraph (E) of section 408A(d)(3) of the In-
6 ternal Revenue Code of 1986 shall apply.

7 (6) SPECIAL RULES.—

8 (A) EXEMPTION OF DISTRIBUTIONS FROM
9 TRUSTEE TO TRUSTEE TRANSFER AND WITH-
10 HOLDING RULES.—For purposes of sections
11 401(a)(31), 402(f), and 3405 of the Internal
12 Revenue Code of 1986, qualified disaster dis-
13 tributions shall not be treated as eligible roll-
14 over distributions.

15 (B) QUALIFIED DISASTER DISTRIBUTIONS
16 TREATED AS MEETING PLAN DISTRIBUTION RE-
17 QUIREMENTS.—For purposes the Internal Rev-
18 enue Code of 1986, a qualified disaster dis-
19 tribution shall be treated as meeting the re-
20 quirements of sections 401(k)(2)(B)(I),
21 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A)
22 of such Code.

23 (b) RECONTRIBUTIONS OF WITHDRAWALS FOR
24 HOME PURCHASES.—

25 (1) RECONTRIBUTIONS.—

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

13 (B) TREATMENT OF REPAYMENTS.—Rules
14 similar to the rules of subparagraphs (B), (C),
15 and (D) of subsection (a)(3) shall apply for
16 purposes of this subsection.

17 (2) QUALIFIED DISTRIBUTION.—For purposes
18 of this subsection, the term “qualified distribution”
19 means any distribution—

20 (A) described in section
21 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only
22 to the extent such distribution relates to finan-
23 cial hardship), 403(b)(11)(B), or 72(t)(2)(F),
24 of the Internal Revenue Code of 1986,

1 (B) which was to be used to purchase or
2 construct a principal residence in a qualified
3 disaster area, but which was not so used on ac-
4 count of the qualified disaster with respect to
5 such area, and

6 (C) which was received after January 1,
7 2018, and before the date which is 30 days
8 after the last day of the incident period of such
9 qualified disaster.

10 (3) APPLICABLE PERIOD.—For purposes of this
11 subsection, the term “applicable period” means, in
12 the case of a principal residence in a qualified dis-
13 aster area with respect to any qualified disaster, the
14 period beginning on the incident beginning date of
15 such qualified disaster and ending on February 28,
16 2019.

17 (c) LOANS FROM QUALIFIED PLANS.—

18 (1) INCREASE IN LIMIT ON LOANS NOT TREAT-
19 ED AS DISTRIBUTIONS.—In the case of any loan
20 from a qualified employer plan (as defined under
21 section 72(p)(4) of the Internal Revenue Code of
22 1986) to a qualified individual made during the pe-
23 riod beginning on the date of the enactment of this
24 Act and ending on December 31, 2019—

1 (A) clause (i) of section 72(p)(2)(A) of
2 such Code shall be applied by substituting
3 “\$100,000” for “\$50,000”, and

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

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

16 (A) if the due date pursuant to subpara-
17 graph (B) or (C) of section 72(p)(2) of such
18 Code for any repayment with respect to such
19 loan occurs during the period beginning on the
20 incident beginning date of such qualified dis-
21 aster and ending on December 31, 2019, such
22 due date shall be delayed for 1 year,

23 (B) any subsequent repayments with re-
24 spect to any such loan shall be appropriately
25 adjusted to reflect the delay in the due date

1 under paragraph (1) and any interest accruing
2 during such delay, and

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

8 (3) QUALIFIED INDIVIDUAL.—For purposes of
9 this subsection, the term “qualified individual”
10 means any individual—

11 (A) whose principal place of abode any
12 time during the incident period of any qualified
13 disaster is located in the qualified disaster area
14 with respect to such qualified disaster, and

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

17 (d) PROVISIONS RELATING TO PLAN AMEND-
18 MENTS.—

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

24 (2) AMENDMENTS TO WHICH SUBSECTION AP-
25 PLIES.—

1 (A) IN GENERAL.—This subsection shall
2 apply to any amendment to any plan or annuity
3 contract which is made—

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

9 (ii) on or before the last day of the
10 first plan year beginning on or after Janu-
11 ary 1, 2020, or such later date as the Sec-
12 retary may prescribe.

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

18 (B) CONDITIONS.—This subsection shall
19 not apply to any amendment unless—

20 (i) during the period—

21 (I) beginning on the date that
22 this section or the regulation de-
23 scribed in subparagraph (A)(i) takes
24 effect (or in the case of a plan or con-
25 tract amendment not required by this

1 section or such regulation, the effective date specified by the plan), and
2
3 (II) ending on the date described
4 in subparagraph (A)(ii) (or, if earlier,
5 the date the plan or contract amendment is adopted),
6
7 the plan or contract is operated as if such plan
8 or contract amendment were in effect, and
9 (ii) such plan or contract amendment
10 applies retroactively for such period.

11 **SEC. 103. EMPLOYEE RETENTION CREDIT FOR EMPLOYERS**
12 **AFFECTED BY QUALIFIED DISASTERS.**

13 (a) IN GENERAL.—For purposes of section 38 of the
14 Internal Revenue Code of 1986, in the case of an eligible
15 employer, the 2018 qualified disaster employee retention
16 credit shall be treated as a credit listed in subsection (b)
17 of such section. For purposes of this subsection, the 2018
18 qualified disaster employee retention credit for any taxable
19 year is an amount equal to 40 percent of the qualified
20 wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may
21
22 be taken into account with respect to any individual shall
23 not exceed \$6,000.
24

25 (b) DEFINITIONS.—For purposes of this section—

1 (1) ELIGIBLE EMPLOYER.—The term “eligible
2 employer” means any employer—

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

8 (B) with respect to whom the trade or
9 business described in subparagraph (A) is inop-
10 erable at any time after the incident beginning
11 date of such qualified disaster, and before Jan-
12 uary 1, 2019, as a result of damage sustained
13 by reason of such qualified disaster.

14 (2) ELIGIBLE EMPLOYEE.—The term “eligible
15 employee” means with respect to an eligible em-
16 ployer an employee whose principal place of employ-
17 ment at any time during the incident period of the
18 qualified disaster referred to in paragraph (1) with
19 such eligible employer was in the qualified disaster
20 zone referred to in such paragraph.

21 (3) QUALIFIED WAGES.—The term “qualified
22 wages” means wages (as defined in section 51(c)(1)
23 of the Internal Revenue Code of 1986, but without
24 regard to section 3306(b)(2)(B) of such Code) paid
25 or incurred by an eligible employer with respect to

1 an eligible employee at any time after the incident
2 beginning date of the qualified disaster referred to
3 in paragraph (1), and before January 1, 2019,
4 which occurs during the period—

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

11 (B) ending on the date on which such
12 trade or business has resumed significant oper-
13 ations at such principal place of employment.

14 Such term shall include wages paid without regard
15 to whether the employee performs no services, per-
16 forms services at a different place of employment
17 than such principal place of employment, or per-
18 forms services at such principal place of employment
19 before significant operations have resumed.

20 (c) CERTAIN RULES TO APPLY.—For purposes of
21 this subsection, rules similar to the rules of sections
22 51(i)(1), 52, and 280C(a), of the Internal Revenue Code
23 of 1986, shall apply.

24 (d) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE
25 THAN ONCE.—An employee shall not be treated as an eli-

1 gible employee for purposes of this subsection for any pe-
2 riod with respect to any employer if such employer is al-
3 lowed a credit under section 51 of the Internal Revenue
4 Code of 1986 with respect to such employee for such pe-
5 riod.

6 **SEC. 104. OTHER DISASTER-RELATED TAX RELIEF PROVI-**
7 **SIONS.**

8 (a) TEMPORARY SUSPENSION OF LIMITATIONS ON
9 CHARITABLE CONTRIBUTIONS.—

10 (1) IN GENERAL.—Except as otherwise pro-
11 vided in paragraph (2), subsection (b) of section 170
12 of the Internal Revenue Code of 1986 shall not
13 apply to qualified contributions and such contribu-
14 tions shall not be taken into account for purposes of
15 applying subsections (b) and (d) of such section to
16 other contributions.

17 (2) TREATMENT OF EXCESS CONTRIBUTIONS.—
18 For purposes of section 170 of the Internal Revenue
19 Code of 1986—

20 (A) INDIVIDUALS.—In the case of an indi-
21 vidual—

22 (i) LIMITATION.—Any qualified con-
23 tribution shall be allowed only to the ex-
24 tent that the aggregate of such contribu-
25 tions does not exceed the excess of the tax-

1 payer's contribution base (as defined in
2 subparagraph (H) of section 170(b)(1) of
3 such Code) over the amount of all other
4 charitable contributions allowed under sec-
5 tion 170(b)(1) of such Code.

6 (ii) CARRYOVER.—If the aggregate
7 amount of qualified contributions made in
8 the contribution year (within the meaning
9 of section 170(d)(1) of such Code) exceeds
10 the limitation of clause (i), such excess
11 shall be added to the excess described in
12 the portion of subparagraph (A) of such
13 section which precedes clause (i) thereof
14 for purposes of applying such section.

15 (B) CORPORATIONS.—In the case of a cor-
16 poration—

17 (i) LIMITATION.—Any qualified con-
18 tribution shall be allowed only to the ex-
19 tent that the aggregate of such contribu-
20 tions does not exceed the excess of the tax-
21 payer's taxable income (as determined
22 under paragraph (2) of section 170(b) of
23 such Code) over the amount of all other
24 charitable contributions allowed under such
25 paragraph.

1 (ii) CARRYOVER.—Rules similar to the
2 rules of subparagraph (A)(ii) shall apply
3 for purposes of this subparagraph.

4 (3) QUALIFIED CONTRIBUTIONS.—

5 (A) IN GENERAL.—For purposes of this
6 subsection, the term “qualified contribution”
7 means any charitable contribution (as defined
8 in section 170(c) of the Internal Revenue Code
9 of 1986) if—

10 (i) such contribution—

11 (I) is paid during the period be-
12 ginning on April 13, 2018, and ending
13 on December 31, 2018, in cash to an
14 organization described in section
15 170(b)(1)(A) of such Code, and

16 (II) is made for relief efforts in
17 one or more qualified disaster areas,

18 (ii) the taxpayer obtains from such or-
19 ganization contemporaneous written ac-
20 knowledgment (within the meaning of sec-
21 tion 170(f)(8) of such Code) that such con-
22 tribution was used (or is to be used) for
23 relief efforts described in clause (i)(II),
24 and

1 (iii) the taxpayer has elected the ap-
2 plication of this subsection with respect to
3 such contribution.

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

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

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

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

19 (b) SPECIAL RULES FOR QUALIFIED DISASTER-RE-
20 LATED PERSONAL CASUALTY LOSSES.—

21 (1) IN GENERAL.—If an individual has a net
22 disaster loss for any taxable year—

23 (A) the amount determined under section
24 165(h)(2)(A)(ii) of the Internal Revenue Code
25 of 1986 shall be equal to the sum of—

- 1 (i) such net disaster loss, and
- 2 (ii) so much of the excess referred to
- 3 in the matter preceding clause (i) of sec-
- 4 tion 165(h)(2)(A) of such Code (reduced
- 5 by the amount in clause (i) of this sub-
- 6 paragraph) as exceeds 10 percent of the
- 7 adjusted gross income of the individual,
- 8 (B) section 165(h)(1) of such Code shall
- 9 be applied by substituting “\$500” for “\$500
- 10 (\$100 for taxable years beginning after Decem-
- 11 ber 31, 2009”),
- 12 (C) the standard deduction determined
- 13 under section 63(c) of such Code shall be in-
- 14 creased by the net disaster loss, and
- 15 (D) section 56(b)(1)(E) of such Code shall
- 16 not apply to so much of the standard deduction
- 17 as is attributable to the increase under sub-
- 18 paragraph (C) of this paragraph.
- 19 (2) NET DISASTER LOSS.—For purposes of this
- 20 subsection, the term “net disaster loss” means the
- 21 excess of qualified disaster-related personal casualty
- 22 losses over personal casualty gains (as defined in
- 23 section 165(h)(3)(A) of the Internal Revenue Code
- 24 of 1986).

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

10 (c) SPECIAL RULE FOR DETERMINING EARNED IN-
11 COME.—

12 (1) IN GENERAL.—In the case of a qualified in-
13 dividual, if the earned income of the taxpayer for the
14 applicable taxable year is less than the earned in-
15 come of the taxpayer for the preceding taxable year,
16 the credits allowed under sections 24(d) and 32 of
17 the Internal Revenue Code of 1986 may, at the elec-
18 tion of the taxpayer, be determined by sub-
19 stituting—

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

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

24 (2) QUALIFIED INDIVIDUAL.—For purposes of
25 this subsection, the term “qualified individual”

1 means any individual whose principal place of abode
2 at any time during the incident period of any quali-
3 fied disaster was located—

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

6 (B) in the qualified disaster area with re-
7 spect to such qualified disaster (but outside the
8 qualified disaster zone with respect to such
9 qualified disaster) and such individual was dis-
10 placed from such principal place of abode by
11 reason of such qualified disaster.

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

18 (4) EARNED INCOME.—For purposes of this
19 subsection, the term “earned income” has the mean-
20 ing given such term under section 32(c) of the Inter-
21 nal Revenue Code of 1986.

22 (5) SPECIAL RULES.—

23 (A) APPLICATION TO JOINT RETURNS.—

24 For purposes of paragraph (1), in the case of
25 a joint return for an applicable taxable year—

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

3 (ii) the earned income of the taxpayer
4 for the preceding taxable year shall be the
5 sum of the earned income of each spouse
6 for such preceding taxable year.

7 (B) UNIFORM APPLICATION OF ELEC-
8 TION.—Any election made under paragraph (1)
9 shall apply with respect to both sections 24(d)
10 and 32, of the Internal Revenue Code of 1986.

11 (C) ERRORS TREATED AS MATHEMATICAL
12 ERROR.—For purposes of section 6213 of the
13 Internal Revenue Code of 1986, an incorrect
14 use on a return of earned income pursuant to
15 paragraph (1) shall be treated as a mathe-
16 matical or clerical error.

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

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

23 (a) PAYMENTS TO GUAM AND THE COMMONWEALTH
24 OF THE NORTHERN MARIANA ISLANDS.—The Secretary
25 of the Treasury shall pay to Guam and the Commonwealth

1 of the Northern Mariana Islands amounts equal to the loss
2 to that possession by reason of the application of the pro-
3 visions of this title. Such amounts shall be determined by
4 the Secretary of the Treasury based on information pro-
5 vided by the government of the respective possession.

6 (b) PAYMENTS TO AMERICAN SAMOA.—

7 (1) IN GENERAL.—The Secretary of the Treas-
8 ury shall pay to American Samoa amounts estimated
9 by the Secretary of the Treasury as being equal to
10 the aggregate benefits that would have been pro-
11 vided to residents of American Samoa by reason of
12 the provisions of this title if a mirror code tax sys-
13 tem had been in effect in American Samoa. The pre-
14 ceding sentence shall not apply unless American
15 Samoa has a plan, which has been approved by the
16 Secretary of the Treasury, under which American
17 Samoa will promptly distribute such payments to its
18 residents.

19 (2) MIRROR CODE TAX SYSTEM.—For purposes
20 of this subsection, the term “mirror code tax sys-
21 tem” means, with respect to any possession of the
22 United States, the income tax system of such posses-
23 sion if the income tax liability of the residents of
24 such possession under such system is determined by

1 reference to the income tax laws of the United
2 States as if such possession were the United States.

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

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

9 (a) IN GENERAL.—Section 7508A is amended by
10 adding at the end the following new subsection:

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

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

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

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

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to Federally declared disasters de-
3 clared 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 EM-** 9 **PLOYER 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 REQUIRE-
14 MENTS FOR CERTAIN MULTIPLE EMPLOYER PLANS WITH
15 POOLED 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
21 adopted 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 sec-
3 tion 408 (including by reason of subsection (c)
4 thereof), whichever is applicable, merely because one
5 or more employers of employees covered by the plan
6 fail to take such actions as are required of such em-
7 ployers 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
12 in the plan failing to take the actions described
13 in 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
19 retirement 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
2 assets in the plan, and

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

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
18 whether the plan meets the requirements under
19 this title applicable to a plan described in sec-
20 tion 401(a) or to a plan that consists of indi-
21 vidual retirement accounts described in section
22 408 (including by reason of subsection (c)
23 thereof), whichever is applicable, shall be made
24 in the same manner as would be made without
25 regard 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
5 who—

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

17 “(I) the plan meets any require-
18 ment applicable under the Employee
19 Retirement Income Security Act of
20 1974 or this title to a plan described
21 in section 401(a) or to a plan that
22 consists of individual retirement ac-
23 counts described in section 408 (in-
24 cluding by reason of subsection (c)
25 thereof), whichever 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
17 operations 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
21 Employee Retirement Income Security Act
22 of 1974), and the plan administrator, with
23 respect to the plan, and

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

1 are fiduciaries of, the plan are bonded in
2 accordance with section 412 of the Em-
3 ployee Retirement Income Security Act of
4 1974.

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

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

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

1 ees of such employer (or beneficiaries of such
2 employees).

3 “(4) GUIDANCE.—The Secretary shall issue
4 such guidance as the Secretary determines appro-
5 priate to carry out this subsection, including guid-
6 ance—

7 “(A) to identify the administrative duties
8 and other actions required to be performed by
9 a pooled plan provider under this subsection,

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

19 “(C) identifying appropriate cases to which
20 the rules of paragraph (2)(A) will apply to em-
21 ployers in the plan failing to take the actions
22 described in paragraph (1).

23 The Secretary shall take into account under sub-
24 paragraph (C) whether the failure of an employer or
25 pooled plan provider to provide any disclosures or

1 other information, or to take any other action, nec-
2 essary to administer a plan or to allow a plan to
3 meet requirements applicable to the plan under sec-
4 tion 401(a) or 408, whichever is applicable, has con-
5 tinued over a period of time that demonstrates a
6 lack of commitment to compliance.

7 “(5) MODEL PLAN.—The Secretary shall pub-
8 lish model plan language which meets the require-
9 ments of this subsection and of paragraphs (43) and
10 (44) of section 3 of the Employee Retirement In-
11 come Security Act of 1974 and which may be adopt-
12 ed in order for a plan to be treated as a plan de-
13 scribed in paragraph (1)(B).”.

14 (2) CONFORMING AMENDMENT.—Section
15 413(c)(2) is amended by striking “section 401(a)”
16 and inserting “sections 401(a) and 408(c)”.

17 (3) TECHNICAL AMENDMENT.—Section 408(c)
18 is amended by inserting after paragraph (2) the fol-
19 lowing new paragraph:

20 “(3) There is a separate accounting for any in-
21 terest of an employee or member (or spouse of an
22 employee or member) in a Roth IRA.”.

23 (b) NO COMMON INTEREST REQUIRED FOR POOLED
24 EMPLOYER PLANS.—Section 3(2) of the Employee Retire-

1 ment Income Security Act of 1974 (29 U.S.C. 1002(2))
2 is amended by adding at the end the following:

3 “(C) A pooled employer plan shall be treat-
4 ed as—

5 “(i) a single employee pension benefit
6 plan or single pension plan; and

7 “(ii) a plan to which section 210(a)
8 applies.”.

9 (c) POOLED EMPLOYER PLAN AND PROVIDER DE-
10 FINED.—

11 (1) IN GENERAL.—Section 3 of the Employee
12 Retirement Income Security Act of 1974 (29 U.S.C.
13 1002) is amended by adding at the end the fol-
14 lowing:

15 “(43) POOLED EMPLOYER PLAN.—

16 “(A) IN GENERAL.—The term ‘pooled em-
17 ployer plan’ means a plan—

18 “(i) which is an individual account
19 plan established or maintained for the pur-
20 pose of providing benefits to the employees
21 of 2 or more employers;

22 “(ii) which is a plan described in sec-
23 tion 401(a) of the Internal Revenue Code
24 of 1986 which includes a trust exempt
25 from tax under section 501(a) of such

1 Code or a plan that consists of individual
2 retirement accounts described in section
3 408 of such Code (including by reason of
4 subsection (c) thereof); and

5 “(iii) the terms of which meet the re-
6 quirements of subparagraph (B).

7 Such term shall not include a plan maintained
8 by employers which have a common interest
9 other than having adopted the plan.

10 “(B) REQUIREMENTS FOR PLAN TERMS.—
11 The requirements of this subparagraph are met
12 with respect to any plan if the terms of the
13 plan—

14 “(i) designate a pooled plan provider
15 and provide that the pooled plan provider
16 is a named fiduciary of the plan;

17 “(ii) designate one or more trustees
18 meeting the requirements of section
19 408(a)(2) of the Internal Revenue Code of
20 1986 (other than an employer in the plan)
21 to be responsible for collecting contribu-
22 tions to, and holding the assets of, the
23 plan and require such trustees to imple-
24 ment written contribution collection proce-

1 dures that are reasonable, diligent, and
2 systematic;

3 “(iii) provide that each employer in
4 the plan retains fiduciary responsibility
5 for—

6 “(I) the selection and monitoring
7 in accordance with section 404(a) of
8 the person designated as the pooled
9 plan provider and any other person
10 who, in addition to the pooled plan
11 provider, is designated as a named fi-
12 duciary of the plan; and

13 “(II) to the extent not otherwise
14 delegated to another fiduciary by the
15 pooled plan provider and subject to
16 the provisions of section 404(c), the
17 investment and management of the
18 portion of the plan’s assets attrib-
19 utable to the employees of the em-
20 ployer (or beneficiaries of such em-
21 ployees);

22 “(iv) provide that employers in the
23 plan, and participants and beneficiaries,
24 are not subject to unreasonable restric-
25 tions, fees, or penalties with regard to

1 ceasing participation, receipt of distribu-
2 tions, or otherwise transferring assets of
3 the plan in accordance with section 208 or
4 paragraph (44)(C)(i)(II);

5 “(v) require—

6 “(I) the pooled plan provider to
7 provide to employers in the plan any
8 disclosures or other information which
9 the Secretary may require, including
10 any disclosures or other information
11 to facilitate the selection or any moni-
12 toring of the pooled plan provider by
13 employers in the plan; and

14 “(II) each employer in the plan
15 to take such actions as the Secretary
16 or the pooled plan provider determines
17 are necessary to administer the plan
18 or for the plan to meet any require-
19 ment applicable under this Act or the
20 Internal Revenue Code of 1986 to a
21 plan described in section 401(a) of
22 such Code or to a plan that consists
23 of individual retirement accounts de-
24 scribed in section 408 of such Code
25 (including by reason of subsection (c)

1 thereof), whichever is applicable, in-
2 cluding providing any disclosures or
3 other information which the Secretary
4 may require or which the pooled plan
5 provider otherwise determines are nec-
6 essary to administer the plan or to
7 allow the plan to meet such require-
8 ments; and

9 “(vi) provide that any disclosure or
10 other information required to be provided
11 under clause (v) may be provided in elec-
12 tronic form and will be designed to ensure
13 only reasonable costs are imposed on
14 pooled plan providers and employers in the
15 plan.

16 “(C) EXCEPTIONS.—The term ‘pooled em-
17 ployer plan’ does not include—

18 “(i) a multiemployer plan; or

19 “(ii) a plan established before the
20 date of the enactment of the Family Sav-
21 ings Act of 2018 unless the plan adminis-
22 trator elects that the plan will be treated
23 as a pooled employer plan and the plan
24 meets the requirements of this title appli-

1 cable to a pooled employer plan established
2 on or after such date.

3 “(D) TREATMENT OF EMPLOYERS AS PLAN
4 SPONSORS.—Except with respect to the admin-
5 istrative duties of the pooled plan provider de-
6 scribed in paragraph (44)(A)(i), each employer
7 in a pooled employer plan shall be treated as
8 the plan sponsor with respect to the portion of
9 the plan attributable to employees of such em-
10 ployer (or beneficiaries of such employees).

11 “(44) POOLED PLAN PROVIDER.—

12 “(A) IN GENERAL.—The term ‘pooled plan
13 provider’ means a person who—

14 “(i) is designated by the terms of a
15 pooled employer plan as a named fiduciary,
16 as the plan administrator, and as the per-
17 son responsible for the performance of all
18 administrative duties (including conducting
19 proper testing with respect to the plan and
20 the employees of each employer in the
21 plan) which are reasonably necessary to
22 ensure that—

23 “(I) the plan meets any require-
24 ment applicable under this Act or the
25 Internal Revenue Code of 1986 to a

1 plan described in section 401(a) of
2 such Code or to a plan that consists
3 of individual retirement accounts de-
4 scribed in section 408 of such Code
5 (including by reason of subsection (c)
6 thereof), whichever is applicable; and

7 “(II) each employer in the plan
8 takes such actions as the Secretary or
9 pooled plan provider determines are
10 necessary for the plan to meet the re-
11 quirements described in subclause (I),
12 including providing the disclosures
13 and information described in para-
14 graph (43)(B)(v)(II);

15 “(ii) registers as a pooled plan pro-
16 vider with the Secretary, and provides to
17 the Secretary such other information as
18 the Secretary may require, before begin-
19 ning operations as a pooled plan provider;

20 “(iii) acknowledges in writing that
21 such person is a named fiduciary, and the
22 plan administrator, with respect to the
23 pooled employer plan; and

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

1 are fiduciaries of, the pooled employer plan
2 are bonded in accordance with section 412.

3 “(B) AUDITS, EXAMINATIONS AND INVESTIGATIONS.—The Secretary may perform au-
4 dits, examinations, and investigations of pooled
5 plan providers as may be necessary to enforce
6 and carry out the purposes of this paragraph
7 and paragraph (43).

8 “(C) GUIDANCE.—The Secretary shall
9 issue such guidance as the Secretary determines
10 appropriate to carry out this paragraph and
11 paragraph (43), including guidance—

12 “(i) to identify the administrative du-
13 ties and other actions required to be per-
14 formed by a pooled plan provider under ei-
15 ther such paragraph; and
16 “(ii) which requires in appropriate

17 cases that if an employer in the plan fails
18 to take the actions required under sub-
19 paragraph (A)(i)(II)—

20 “(I) the assets of the plan attrib-
21 utable to employees of such employer
22 (or beneficiaries of such employees)
23 are transferred to a plan maintained
24 only by such employer (or its suc-
25

1 cessor), to an eligible retirement plan
2 as defined in section 402(c)(8)(B) of
3 the Internal Revenue Code of 1986
4 for each individual whose account is
5 transferred, or to any other arrange-
6 ment that the Secretary determines is
7 appropriate in such guidance; and

8 “(II) such employer (and not the
9 plan with respect to which the failure
10 occurred or any other employer in
11 such plan) shall, except to the extent
12 provided in such guidance, be liable
13 for any liabilities with respect to such
14 plan attributable to employees of such
15 employer (or beneficiaries of such em-
16 ployees).

17 The Secretary shall take into account under
18 clause (ii) whether the failure of an employer or
19 pooled plan provider to provide any disclosures
20 or other information, or to take any other ac-
21 tion, necessary to administer a plan or to allow
22 a plan to meet requirements described in sub-
23 paragraph (A)(i)(II) has continued over a pe-
24 riod of time that demonstrates a lack of com-
25 mitment to compliance. The Secretary may

1 waive the requirements of subclause (ii)(I) in
2 appropriate circumstances if the Secretary de-
3 termines it is in the best interests of the em-
4 ployees of the employer referred to in such
5 clause (and the beneficiaries of such employees)
6 to retain the assets in the plan with respect to
7 which the employer’s failure occurred.

8 “(D) AGGREGATION RULES.—For purposes
9 of this paragraph, in determining whether a
10 person meets the requirements of this para-
11 graph to be a pooled plan provider with respect
12 to any plan, all persons who perform services
13 for the plan and who are treated as a single
14 employer under subsection (b), (c), (m), or (o)
15 of section 414 of the Internal Revenue Code of
16 1986 shall be treated as one person.”

17 (2) BONDING REQUIREMENTS FOR POOLED EM-
18 PLOYER PLANS.—The last sentence of section 412(a)
19 of the Employee Retirement Income Security Act of
20 1974 (29 U.S.C. 1112(a)) is amended by inserting
21 “or in the case of a pooled employer plan (as defined
22 in section 3(43))” after “section 407(d)(1)”.

23 (3) CONFORMING AND TECHNICAL AMEND-
24 MENTS.—Section 3 of the Employee Retirement In-

1 come Security Act of 1974 (29 U.S.C. 1002) is
2 amended—

3 (A) in paragraph (16)(B)—

4 (i) by striking “or” at the end of
5 clause (ii); and

6 (ii) by striking the period at the end
7 and inserting “, or (iv) in the case of a
8 pooled employer plan, the pooled plan pro-
9 vider.”; and

10 (B) by striking the second paragraph (41).

11 (d) POOLED EMPLOYER AND MULTIPLE EMPLOYER
12 PLAN REPORTING.—

13 (1) ADDITIONAL INFORMATION.—Section 103
14 of the Employee Retirement Income Security Act of
15 1974 (29 U.S.C. 1023) is amended—

16 (A) in subsection (a)(1)(B), by striking
17 “applicable subsections (d), (e), and (f)” and
18 inserting “applicable subsections (d), (e), (f),
19 and (g)”; and

20 (B) by amending subsection (g) to read as
21 follows:

22 “(g) ADDITIONAL INFORMATION WITH RESPECT TO
23 POOLED EMPLOYER AND MULTIPLE EMPLOYER
24 PLANS.—An annual report under this section for a plan
25 year shall include—

1 “(1) with respect to any plan to which section
2 210(a) applies (including a pooled employer plan), a
3 list of employers in the plan, a good faith estimate
4 of the percentage of total contributions made by
5 such employers during the plan year, and the aggregate
6 account balances attributable to each employer
7 in the plan (determined as the sum of the account
8 balances of the employees of such employer (and the
9 beneficiaries of such employees)); and

10 “(2) with respect to a pooled employer plan, the
11 identifying information for the person designated
12 under the terms of the plan as the pooled plan pro-
13 vider.”.

14 (2) SIMPLIFIED ANNUAL REPORTS.—Section
15 104(a) of the Employee Retirement Income Security
16 Act of 1974 (29 U.S.C. 1024(a)) is amended by
17 striking paragraph (2)(A) and inserting the fol-
18 lowing:

19 “(2)(A) With respect to annual reports required
20 to be filed with the Secretary under this part, the
21 Secretary may by regulation prescribe simplified an-
22 nual reports for any pension plan that—

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

24 “(ii) is a plan described in section 210(a)

25 that covers fewer than 1,000 participants, but

1 only if no single employer in the plan has 100
2 or more participants covered by the plan.”.

3 (e) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 this section shall apply to plan years beginning after
6 December 31, 2019.

7 (2) RULE OF CONSTRUCTION.—Nothing in the
8 amendments made by subsection (a) shall be con-
9 strued as limiting the authority of the Secretary of
10 the Treasury or the Secretary’s delegate (determined
11 without regard to such amendments) to provide for
12 the proper treatment of a failure to meet any re-
13 quirement applicable under the Internal Revenue
14 Code of 1986 with respect to one employer (and its
15 employees) in a multiple employer plan.

16 **SEC. 202. RULES RELATING TO ELECTION OF SAFE HARBOR**
17 **401(k) STATUS.**

18 (a) LIMITATION OF ANNUAL SAFE HARBOR NOTICE
19 TO MATCHING CONTRIBUTION PLANS.—

20 (1) IN GENERAL.—Section 401(k)(12)(A) is
21 amended by striking “if such arrangement” and all
22 that follows and inserting “if such arrangement—
23 “(i) meets the contribution require-
24 ments of subparagraph (B) and the notice
25 requirements of subparagraph (D), or

1 “(ii) meets the contribution require-
2 ments of subparagraph (C).”.

3 (2) AUTOMATIC CONTRIBUTION ARRANGE-
4 MENTS.—Section 401(k)(13)(B) is amended by
5 striking “means” and all that follows and inserting
6 “means a cash or deferred arrangement—

7 “(i) which is described in subpara-
8 graph (D)(i)(I) and meets the applicable
9 requirements of subparagraphs (C)
10 through (E), or

11 “(ii) which is described in subpara-
12 graph (D)(i)(II) and meets the applicable
13 requirements of subparagraphs (C) and
14 (D).”.

15 (b) NONELECTIVE CONTRIBUTIONS.—Section
16 401(k)(12) is amended by redesignating subparagraph (F)
17 as subparagraph (G), and by inserting after subparagraph
18 (E) the following new subparagraph:

19 “(F) TIMING OF PLAN AMENDMENT FOR
20 EMPLOYER MAKING NONELECTIVE CONTRIBU-
21 TIONS.—

22 “(i) IN GENERAL.—Except as pro-
23 vided in clause (ii), a plan may be amend-
24 ed after the beginning of a plan year to
25 provide that the requirements of subpara-

1 graph (C) shall apply to the arrangement
2 for the plan year, but only if the amend-
3 ment is adopted—

4 “(I) at any time before the 30th
5 day before the close of the plan year,
6 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 sub-
16 paragraph (B) or paragraph (13)(D)(i)(I)
17 applied to the plan year.

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

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

3 (c) AUTOMATIC CONTRIBUTION ARRANGEMENTS.—

4 Section 401(k)(13) is amended by adding at the end the
5 following:

6 “(F) TIMING OF PLAN AMENDMENT FOR
7 EMPLOYER MAKING NONELECTIVE CONTRIBU-
8 TIONS.—

9 “(i) IN GENERAL.—Except as pro-
10 vided in clause (ii), a plan may be amend-
11 ed after the beginning of a plan year to
12 provide that the requirements of subpara-
13 graph (D)(i)(II) shall apply to the arrange-
14 ment for the plan year, but only if the
15 amendment is adopted—

16 “(I) at any time before the 30th
17 day before the close of the plan year,
18 or

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

23 “(ii) EXCEPTION WHERE PLAN PRO-
24 VIDED FOR MATCHING CONTRIBUTIONS.—

25 Clause (i) shall not apply to any plan year

1 if the plan provided at any time during the
2 plan year that the requirements of sub-
3 paragraph (D)(i)(I) or paragraph (12)(B)
4 applied to the plan year.

5 “(iii) 4-PERCENT CONTRIBUTION RE-
6 QUIREMENT.—Clause (i)(II) shall not
7 apply to an arrangement unless the
8 amount of the contributions described in
9 subparagraph (D)(i)(II) which the em-
10 ployer is required to make under the ar-
11 rangement for the plan year with respect
12 to any employee is an amount equal to at
13 least 4 percent of the employee’s com-
14 pensation.”.

15 (d) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to plan years beginning after De-
17 cember 31, 2018.

18 **SEC. 203. CERTAIN TAXABLE NON-TUITION FELLOWSHIP**
19 **AND STIPEND PAYMENTS TREATED AS COM-**
20 **PENSATION FOR IRA PURPOSES.**

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

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to taxable years beginning after
3 December 31, 2018.

4 **SEC. 204. REPEAL OF MAXIMUM AGE FOR TRADITIONAL IRA**
5 **CONTRIBUTIONS.**

6 (a) IN GENERAL.—Section 219(d) is amended by
7 striking paragraph (1).

8 (b) CONFORMING AMENDMENT.—Section 408A(c) is
9 amended by striking paragraph (4) and by redesignating
10 paragraphs (5), (6), and (7) as paragraphs (4), (5), and
11 (6), respectively.

12 (c) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to contributions made for taxable
14 years beginning after December 31, 2018.

15 **SEC. 205. QUALIFIED EMPLOYER PLANS PROHIBITED FROM**
16 **MAKING LOANS THROUGH CREDIT CARDS**
17 **AND OTHER SIMILAR ARRANGEMENTS.**

18 (a) IN GENERAL.—Section 72(p)(2) is amended by
19 redesignating subparagraph (D) as subparagraph (E) and
20 by inserting after subparagraph (C) the following new sub-
21 paragraph:

22 “(D) PROHIBITION OF LOANS THROUGH
23 CREDIT CARDS AND OTHER SIMILAR ARRANGE-
24 MENTS.—Notwithstanding subparagraph (A),
25 paragraph (1) shall apply to any loan which is

1 made through the use of any credit card or any
2 other similar arrangement.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 subsection (a) shall apply to loans made after the date
5 of the enactment of this Act.

6 **SEC. 206. PORTABILITY OF LIFETIME INCOME INVEST-**
7 **MENTS.**

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

10 “(38) **PORTABILITY OF LIFETIME INCOME IN-**
11 **VESTMENTS.**—

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

17 “(i) qualified distributions of a life-
18 time income investment, or

19 “(ii) distributions of a lifetime income
20 investment in the form of a qualified plan
21 distribution annuity contract,

22 on or after the date that is 90 days prior to the
23 date on which such lifetime income investment
24 is no longer authorized to be held as an invest-
25 ment option under the plan.

1 “(B) DEFINITIONS.—For purposes of this
2 subsection—

3 “(i) the term ‘qualified distribution’
4 means a direct trustee-to-trustee transfer
5 described in paragraph (31)(A) to an eligi-
6 ble retirement plan (as defined in section
7 402(c)(8)(B)),

8 “(ii) the term ‘lifetime income invest-
9 ment’ means an investment option which is
10 designed to provide an employee with elec-
11 tion rights—

12 “(I) which are not uniformly
13 available with respect to other invest-
14 ment options under the plan, and

15 “(II) which are to a lifetime in-
16 come feature available through a con-
17 tract or other arrangement offered
18 under the plan (or under another eli-
19 gible retirement plan (as so defined),
20 if paid by means of a direct trustee-
21 to-trustee transfer described in para-
22 graph (31)(A) to such other eligible
23 retirement plan),

24 “(iii) the term ‘lifetime income fea-
25 ture’ means—

1 “(I) a feature which guarantees a
2 minimum level of income annually (or
3 more frequently) for at least the re-
4 mainder of the life of the employee or
5 the joint lives of the employee and the
6 employee’s designated beneficiary, or

7 “(II) an annuity payable on be-
8 half of the employee under which pay-
9 ments are made in substantially equal
10 periodic payments (not less frequently
11 than annually) over the life of the em-
12 ployee or the joint lives of the em-
13 ployee and the employee’s designated
14 beneficiary, and

15 “(iv) the term ‘qualified plan distribu-
16 tion annuity contract’ means an annuity
17 contract purchased for a participant and
18 distributed to the participant by a plan or
19 contract described in subparagraph (B) of
20 section 402(c)(8) (without regard to
21 clauses (i) and (ii) thereof).”.

22 (b) CASH OR DEFERRED ARRANGEMENT.—

23 (1) IN GENERAL.—Section 401(k)(2)(B)(i) is
24 amended by striking “or” at the end of subclause
25 (IV), by striking “and” at the end of subclause (V)

1 and inserting “or”, and by adding at the end the fol-
2 lowing new subclause:

3 “(VI) except as may be otherwise
4 provided by regulations, with respect
5 to amounts invested in a lifetime in-
6 come investment (as defined in sub-
7 section (a)(38)(B)(ii)), the date that
8 is 90 days prior to the date that such
9 lifetime income investment may no
10 longer be held as an investment option
11 under the arrangement, and”.

12 (2) DISTRIBUTION REQUIREMENT.—Section
13 401(k)(2)(B), as amended by paragraph (1), is
14 amended by striking “and” at the end of clause (i),
15 by striking the semicolon at the end of clause (ii)
16 and inserting “, and”, and by adding at the end the
17 following new clause:

18 “(iii) except as may be otherwise pro-
19 vided by regulations, in the case of
20 amounts described in clause (i)(VI), will be
21 distributed only in the form of a qualified
22 distribution (as defined in subsection
23 (a)(38)(B)(i)) or a qualified plan distribu-
24 tion annuity contract (as defined in sub-
25 section (a)(38)(B)(iv)),”.

1 (c) SECTION 403(b) PLANS.—

2 (1) ANNUITY CONTRACTS.—Section 403(b)(11)
3 is amended by striking “or” at the end of subpara-
4 graph (B), by striking the period at the end of sub-
5 paragraph (C) and inserting “, or”, and by inserting
6 after subparagraph (C) the following new subpara-
7 graph:

8 “(D) except as may be otherwise provided
9 by regulations, with respect to amounts invested
10 in a lifetime income investment (as defined in
11 section 401(a)(38)(B)(ii))—

12 “(i) on or after the date that is 90
13 days prior to the date that such lifetime
14 income investment may no longer be held
15 as an investment option under the con-
16 tract, and

17 “(ii) in the form of a qualified dis-
18 tribution (as defined in section
19 401(a)(38)(B)(i)) or a qualified plan dis-
20 tribution annuity contract (as defined in
21 section 401(a)(38)(B)(iv)).”.

22 (2) CUSTODIAL ACCOUNTS.—Section
23 403(b)(7)(A) is amended by striking “if—” and all
24 that follows and inserting “if the amounts are to be
25 invested in regulated investment company stock to

1 be held in that custodial account, and under the cus-
2 todial account—

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

7 “(I) the employee dies,

8 “(II) the employee attains age
9 59½,

10 “(III) the employee has a sever-
11 ance from employment,

12 “(IV) the employee becomes dis-
13 abled (within the meaning of section
14 72(m)(7)),

15 “(V) in the case of contributions
16 made pursuant to a salary reduction
17 agreement (within the meaning of sec-
18 tion 3121(a)(5)(D)), the employee en-
19 counters financial hardship, or

20 “(VI) except as may be otherwise
21 provided by regulations, with respect
22 to amounts invested in a lifetime in-
23 come investment (as defined in section
24 401(a)(38)(B)(ii)), the date that is 90
25 days prior to the date that such life-

1 time income investment may no longer
2 be held as an investment option under
3 the contract, and

4 “(ii) in the case of amounts described
5 in clause (i)(VI), such amounts will be dis-
6 tributed only 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 (d) ELIGIBLE DEFERRED COMPENSATION PLANS.—

12 (1) IN GENERAL.—Section 457(d)(1)(A) is
13 amended by striking “or” at the end of clause (ii),
14 by inserting “or” at the end of clause (iii), and by
15 adding after clause (iii) the following:

16 “(iv) except as may be otherwise pro-
17 vided by regulations, in the case of a plan
18 maintained by an employer described in
19 subsection (e)(1)(A), with respect to
20 amounts invested in a lifetime income in-
21 vestment (as defined in section
22 401(a)(38)(B)(ii)), the date that is 90
23 days prior to the date that such lifetime
24 income investment may no longer be held
25 as an investment option under the plan.”.

1 (2) DISTRIBUTION REQUIREMENT.—Section
2 457(d)(1) is amended by striking “and” at the end
3 of subparagraph (B), by striking the period at the
4 end of subparagraph (C) and inserting “, and”, and
5 by inserting after subparagraph (C) the following
6 new subparagraph:

7 “(D) except as may be otherwise provided
8 by regulations, in the case of amounts described
9 in subparagraph (A)(iv), such amounts will be
10 distributed only in the form of a qualified dis-
11 tribution (as defined in section
12 401(a)(38)(B)(i)) or a qualified plan distribu-
13 tion annuity contract (as defined in section
14 401(a)(38)(B)(iv)).”.

15 (e) EFFECTIVE DATE.—The amendments made by
16 this section shall apply to plan years beginning after De-
17 cember 31, 2018.

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

20 Not later than six months after the date of enactment
21 of this Act, the Secretary of the Treasury shall issue guid-
22 ance to provide that, if an employer terminates the plan
23 under which amounts are contributed to a custodial ac-
24 count under subparagraph (A) of section 403(b)(7), the
25 plan administrator or custodian may distribute an indi-

1 vidual custodial account in kind to a participant or bene-
2 ficiary of the plan and the distributed custodial account
3 shall be maintained by the custodian on a tax-deferred
4 basis as a section 403(b)(7) custodial account, similar to
5 the treatment of fully-paid individual annuity contracts
6 under Revenue Ruling 2011–7, until amounts are actually
7 paid to the participant or beneficiary. The guidance shall
8 provide further (i) that the section 403(b)(7) status of the
9 distributed custodial account is generally maintained if the
10 custodial account thereafter adheres to the requirements
11 of section 403(b) that are in effect at the time of the dis-
12 tribution of the account and (ii) that a custodial account
13 would not be considered distributed to the participant or
14 beneficiary if the employer has any material retained
15 rights under the account (but the employer would not be
16 treated as retaining material rights simply because the
17 custodial account was originally opened under a group
18 contract).

19 **SEC. 208. CLARIFICATION OF RETIREMENT INCOME AC-**
20 **COUNT RULES RELATING TO CHURCH-CON-**
21 **TROLLED ORGANIZATIONS.**

22 (a) IN GENERAL.—Section 403(b)(9)(B) is amended
23 by inserting “(including an employee described in section
24 414(e)(3)(B))” after “employee described in paragraph
25 (1)”.

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

4 **SEC. 209. INCREASE IN 10 PERCENT CAP FOR AUTOMATIC**
5 **ENROLLMENT SAFE HARBOR AFTER 1ST**
6 **PLAN YEAR.**

7 (a) IN GENERAL.—Section 401(k)(13)(C)(iii) is
8 amended by striking “does not exceed 10 percent” and
9 inserting “does not exceed 15 percent (10 percent during
10 the period described in subclause (I))”.

11 (b) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to plan years beginning after De-
13 cember 31, 2018.

14 **SEC. 210. INCREASE IN CREDIT LIMITATION FOR SMALL**
15 **EMPLOYER PENSION PLAN STARTUP COSTS.**

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

18 “(1) for the first credit year and each of the 2
19 taxable years immediately following the first credit
20 year, the greater of—

21 “(A) \$500, or

22 “(B) the lesser of—

23 “(i) \$250 for each employee of the eli-
24 gible employer who is not a highly com-
25 pensated employee (as defined in section

1 414(q)) and who is eligible to participate
2 in the eligible employer plan maintained by
3 the eligible employer, or

4 “(ii) \$1,500, and”.

5 (b) **EFFECTIVE DATE.**—The amendment made by
6 this section shall apply to taxable years beginning after
7 December 31, 2018.

8 **SEC. 211. SMALL EMPLOYER AUTOMATIC ENROLLMENT**
9 **CREDIT.**

10 (a) **IN GENERAL.**—Section 45E is amended by add-
11 ing at the end the following new subsection:”.

12 “(f) **CREDIT FOR AUTO-ENROLLMENT OPTION FOR**
13 **RETIREMENT SAVINGS OPTIONS.**—

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

19 “(2) **RETIREMENT AUTO-ENROLLMENT CREDIT**
20 **PERIOD.**—

21 “(A) **IN GENERAL.**—The retirement auto-
22 enrollment credit period with respect to any eli-
23 gible employer is the 3-taxable-year period be-
24 ginning with the first taxable year for which the
25 employer includes an eligible automatic con-

1 “(i) IN GENERAL.—If on the last day
2 of any calendar year the aggregate value of
3 an employee’s entire interest under all ap-
4 plicable eligible retirement plans does not
5 exceed \$50,000, then the requirements of
6 subparagraph (A) with respect to any dis-
7 tribution relating to such year shall not
8 apply with respect to such employee.

9 “(ii) APPLICABLE ELIGIBLE RETIRE-
10 MENT PLAN.—For purposes of this sub-
11 paragraph, the term ‘applicable eligible re-
12 tirement plan’ means an eligible retirement
13 plan (as defined in section 402(c)(8)(B))
14 other than a defined benefit plan.

15 “(iii) LIMIT ON REQUIRED MINIMUM
16 DISTRIBUTION.—The required minimum
17 distribution determined under subpara-
18 graph (A) for an employee under all appli-
19 cable eligible retirement plans shall not ex-
20 ceed an amount equal to the excess of—

21 “(I) the aggregate value of an
22 employee’s entire interest under such
23 plans on the last day of the calendar
24 year to which such distribution re-
25 lates, over

1 “(II) the dollar amount in effect
2 under clause (i) for such calendar
3 year.

4 The Secretary in regulations or other guid-
5 ance may provide how such amount shall
6 be distributed in the case of an individual
7 with more than one applicable eligible re-
8 tirement plan.

9 “(iv) INFLATION ADJUSTMENT.—In
10 the case of any calendar year beginning
11 after 2019, the \$50,000 amount in clause
12 (i) shall be increased by an amount equal
13 to—

14 “(I) such dollar amount, multi-
15 plied by

16 “(II) the cost of living adjust-
17 ment determined under section 1(f)(3)
18 for the calendar year, determined by
19 substituting ‘calendar year 2018’ for
20 ‘calendar year 2016’ in subparagraph
21 (A)(ii) thereof.

22 Any increase determined under this clause
23 shall be rounded to the next lowest mul-
24 tiple of \$5,000.

1 “(v) PLAN ADMINISTRATOR RELIANCE
2 ON EMPLOYEE CERTIFICATION.—An appli-
3 cable eligible retirement plan described in
4 clause (iii), (iv), (v), or (vi) of section
5 402(c)(8)(B) shall not be treated as failing
6 to meet the requirements of this paragraph
7 in the case of any failure to make a re-
8 quired minimum distribution for a cal-
9 endar year if—

10 “(I) the aggregate value of an
11 employee’s entire interest under all
12 applicable eligible retirement plans of
13 the employer on the last day of the
14 calendar year to which such distribu-
15 tion relates does not exceed the dollar
16 amount in effect for such year under
17 clause (i), and

18 “(II) the employee certifies that
19 the aggregate value of the employee’s
20 entire interest under all applicable eli-
21 gible retirement plans on the last day
22 of the calendar year to which such
23 distribution relates did not exceed the
24 dollar amount in effect for such year
25 under clause (i).

1 “(vi) AGGREGATION RULE.—All em-
2 ployers treated as a single employer under
3 subsection (b), (c), (m), or (o) of section
4 414 shall be treated as a single employer
5 for purposes of clause (v).”.

6 (b) PLAN ADMINISTRATOR REPORTING.—Section
7 6047 is amended by redesignating subsection (h) as sub-
8 section (i) and by inserting after subsection (g) the fol-
9 lowing new subsection:

10 “(h) ACCOUNT BALANCE FOR PARTICIPANTS WHO
11 HAVE ATTAINED AGE 69.—

12 “(1) IN GENERAL.—Not later than January 31
13 of each year, the plan administrator (as defined in
14 section 414(g)) of each applicable eligible retirement
15 plan (as defined in section 401(a)(9)(H)) shall make
16 a return to the Secretary with respect to each par-
17 ticipant of such plan who has attained age 69 as of
18 the end of the preceding calendar year which
19 states—

20 “(A) the name and plan number of the
21 plan,

22 “(B) the name and address of the plan ad-
23 ministrator,

24 “(C) the name, address, and taxpayer
25 identification number of the participant, and

1 “(D) the account balance of such partici-
2 pant as of the end of the preceding calendar
3 year.

4 “(2) STATEMENT FURNISHED TO PARTICI-
5 PANT.—Every person required to make a return
6 under paragraph (1) with respect to a participant
7 shall furnish a copy of such return to such partici-
8 pant.

9 “(3) APPLICATION TO INDIVIDUAL RETIREMENT
10 PLANS AND ANNUITIES.—In the case of an applica-
11 ble eligible retirement plan described in clause (i) or
12 (ii) of section 402(c)(8)(B)—

13 “(A) any reference in this subsection to
14 the plan administrator shall be treated as a ref-
15 erence to the trustee or issuer, as the case may
16 be, and

17 “(B) any reference in this subsection to
18 the participant shall be treated as a reference
19 to the individual for whom such account or an-
20 nuity is maintained.”.

21 (c) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to distributions required to be
23 made in calendar years beginning more than 120 days
24 after the date of the enactment of this Act.

1 **SEC. 213. ELECTIVE DEFERRALS BY MEMBERS OF THE**
2 **READY RESERVE OF A RESERVE COMPONENT**
3 **OF THE ARMED FORCES.**

4 (a) IN GENERAL.—Section 402(g) is amended by
5 adding at the end the following new paragraph:

6 “(9) ELECTIVE DEFERRALS BY MEMBERS OF
7 READY RESERVE.—

8 “(A) IN GENERAL.—In the case of a quali-
9 fied ready reservist for any taxable year, the
10 limitations of subparagraphs (A) and (C) of
11 paragraph (1) shall be applied separately with
12 respect to—

13 “(i) elective deferrals of such qualified
14 ready reservist with respect to compensa-
15 tion described in subparagraph (B), and

16 “(ii) all other elective deferrals of
17 such qualified ready reservist.

18 “(B) QUALIFIED READY RESERVIST.—For
19 purposes of this paragraph, the term ‘qualified
20 ready reservist’ means any individual for any
21 taxable year if such individual received com-
22 pensation for service as a member of the Ready
23 Reserve of a reserve component (as defined in
24 section 101 of title 37, United States Code)
25 during such taxable year.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to plan years beginning after De-
3 cember 31, 2018.

4 **Subtitle B—Administrative** 5 **Improvements**

6 **SEC. 221. PLAN ADOPTED BY FILING DUE DATE FOR YEAR**
7 **MAY BE TREATED AS IN EFFECT AS OF CLOSE**
8 **OF YEAR.**

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

10 (1) by striking “RETROACTIVE CHANGES IN
11 PLAN.—A stock bonus” and inserting “PLAN
12 AMENDMENTS.—

13 “(1) CERTAIN RETROACTIVE CHANGES IN
14 PLAN.—A stock bonus”, and

15 (2) by adding at the end the following new
16 paragraph:

17 “(2) ADOPTION OF PLAN.—If an employer
18 adopts a stock bonus, pension, profit-sharing, or an-
19 nuity plan after the close of a taxable year but be-
20 fore the time prescribed by law for filing the employ-
21 er’s return of tax for the taxable year (including ex-
22 tensions thereof), the employer may elect to treat
23 the plan as having been adopted as of the last day
24 of the taxable year.”.

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

4 **SEC. 222. MODIFICATION OF NONDISCRIMINATION RULES**
5 **TO PROTECT OLDER, LONGER SERVICE PAR-**
6 **TICIPANTS.**

7 (a) IN GENERAL.—Section 401 is amended—

8 (1) by redesignating subsection (o) as sub-
9 section (p), and

10 (2) by inserting after subsection (n) the fol-
11 lowing new subsection:

12 “(o) SPECIAL RULES FOR APPLYING NON-
13 DISCRIMINATION RULES TO PROTECT OLDER, LONGER
14 SERVICE AND GRANDFATHERED PARTICIPANTS.—

15 “(1) TESTING OF DEFINED BENEFIT PLANS
16 WITH CLOSED CLASSES OF PARTICIPANTS.—

17 “(A) BENEFITS, RIGHTS, OR FEATURES
18 PROVIDED TO CLOSED CLASSES.—A defined
19 benefit plan which provides benefits, rights, or
20 features to a closed class of participants shall
21 not fail to satisfy the requirements of sub-
22 section (a)(4) by reason of the composition of
23 such closed class or the benefits, rights, or fea-
24 tures provided to such closed class, if—

1 “(i) for the plan year as of which the
2 class closes and the 2 succeeding plan
3 years, such benefits, rights, and features
4 satisfy the requirements of subsection
5 (a)(4) (without regard to this subpara-
6 graph but taking into account the rules of
7 subparagraph (I)),

8 “(ii) after the date as of which the
9 class was closed, any plan amendment
10 which modifies the closed class or the ben-
11 efits, rights, and features provided to such
12 closed class does not discriminate signifi-
13 cantly in favor of highly compensated em-
14 ployees, and

15 “(iii) the class was closed before April
16 5, 2017, or the plan is described in sub-
17 paragraph (C).

18 “(B) AGGREGATE TESTING WITH DEFINED
19 CONTRIBUTION PLANS PERMITTED ON A BENE-
20 FITS BASIS.—

21 “(i) IN GENERAL.—For purposes of
22 determining compliance with subsection
23 (a)(4) and section 410(b), a defined benefit
24 plan described in clause (iii) may be aggre-
25 gated and tested on a benefits basis with

1 1 or more defined contribution plans, in-
2 cluding with the portion of 1 or more de-
3 fined contribution plans which—

4 “(I) provides matching contribu-
5 tions (as defined in subsection
6 (m)(4)(A)),

7 “(II) provides annuity contracts
8 described in section 403(b) which are
9 purchased with matching contribu-
10 tions or nonelective contributions, or

11 “(III) consists of an employee
12 stock ownership plan (within the
13 meaning of section 4975(e)(7)) or a
14 tax credit employee stock ownership
15 plan (within the meaning of section
16 409(a)).

17 “(ii) SPECIAL RULES FOR MATCHING
18 CONTRIBUTIONS.—For purposes of clause
19 (i), if a defined benefit plan is aggregated
20 with a portion of a defined contribution
21 plan providing matching contributions—

22 “(I) such defined benefit plan
23 must also be aggregated with any por-
24 tion of such defined contribution plan
25 which provides elective deferrals de-

1 scribed in subparagraph (A) or (C) of
2 section 402(g)(3), and

3 “(II) such matching contribu-
4 tions shall be treated in the same
5 manner as nonelective contributions,
6 including for purposes of applying the
7 rules of subsection (l).

8 “(iii) PLANS DESCRIBED.—A defined
9 benefit plan is described in this clause if—

10 “(I) the plan provides benefits to
11 a closed class of participants,

12 “(II) for the plan year as of
13 which the class closes and the 2 suc-
14 ceeding plan years, the plan satisfies
15 the requirements of section 410(b)
16 and subsection (a)(4) (without regard
17 to this subparagraph but taking into
18 account the rules of subparagraph
19 (I)),

20 “(III) after the date as of which
21 the class was closed, any plan amend-
22 ment which modifies the closed class
23 or the benefits provided to such closed
24 class does not discriminate signifi-

1 cantly in favor of highly compensated
2 employees, and

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

6 “(C) PLANS DESCRIBED.—A plan is de-
7 scribed in this subparagraph if, taking into ac-
8 count any predecessor plan—

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

12 “(ii) during the 5-year period pre-
13 ceding the date the class is closed, there
14 has not been a substantial increase in the
15 coverage or value of the benefits, rights, or
16 features described in subparagraph (A) or
17 in the coverage or benefits under the plan
18 described in subparagraph (B)(iii) (which-
19 ever is applicable).

20 “(D) DETERMINATION OF SUBSTANTIAL
21 INCREASE FOR BENEFITS, RIGHTS, AND FEA-
22 TURES.—In applying subparagraph (C)(ii) for
23 purposes of subparagraph (A)(iii), a plan shall
24 be treated as having had a substantial increase
25 in coverage or value of the benefits, rights, or

1 features described in subparagraph (A) during
2 the applicable 5-year period only if, during such
3 period—

4 “(i) the number of participants cov-
5 ered by such benefits, rights, or features
6 on the date such period ends is more than
7 50 percent greater than the number of
8 such participants on the first day of the
9 plan year in which such period began, or

10 “(ii) such benefits, rights, and fea-
11 tures have been modified by 1 or more
12 plan amendments in such a way that, as of
13 the date the class is closed, the value of
14 such benefits, rights, and features to the
15 closed class as a whole is substantially
16 greater than the value as of the first day
17 of such 5-year period, solely as a result of
18 such amendments.

19 “(E) DETERMINATION OF SUBSTANTIAL
20 INCREASE FOR AGGREGATE TESTING ON BENE-
21 FITS BASIS.—In applying subparagraph (C)(ii)
22 for purposes of subparagraph (B)(iii)(IV), a
23 plan shall be treated as having had a substan-
24 tial increase in coverage or benefits during the

1 applicable 5-year period only if, during such pe-
2 riod—

3 “(i) the number of participants bene-
4 fitting under the plan on the date such pe-
5 riod ends is more than 50 percent greater
6 than the number of such participants on
7 the first day of the plan year in which such
8 period began, or

9 “(ii) the average benefit provided to
10 such participants on the date such period
11 ends is more than 50 percent greater than
12 the average benefit provided on the first
13 day of the plan year in which such period
14 began.

15 “(F) CERTAIN EMPLOYEES DIS-
16 REGARDED.—For purposes of subparagraphs
17 (D) and (E), any increase in coverage or value
18 or in coverage or benefits, whichever is applica-
19 ble, which is attributable to such coverage and
20 value or coverage and benefits provided to em-
21 ployees—

22 “(i) who became participants as a re-
23 sult of a merger, acquisition, or similar
24 event which occurred during the 7-year pe-

1 riod preceding the date the class is closed,
2 or

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

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

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

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

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

1 considered to have increased by more than
2 50 percent only if—

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

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

16 In the case of a CSEC plan (as defined in
17 section 414(y)), the normal cost of the
18 plan (as determined under section
19 433(j)(1)(B)) shall be used in lieu of the
20 amount determined under section
21 430(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

1 a single plan rather than as separate plans
2 maintained by each employer in the plan.

3 “(I) SPECIAL RULES.—For purposes of
4 subparagraphs (A)(i) and (B)(iii)(II), the fol-
5 lowing 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
19 merger, acquisition, divestiture, or similar
20 event.

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

1 The rule of clause (ii) shall also apply for pur-
2 poses of determining whether plans to which
3 subparagraph (B)(i) applies may be aggregated
4 and treated as 1 plan for purposes of deter-
5 mining whether such plans meet the require-
6 ments of subsection (a)(4) and section 410(b).

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

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

18 “(ii) subparagraph (A)(ii) or
19 (B)(iii)(III), whichever is applicable,
20 the treatment under subparagraph (A) or (B)
21 of the spun-off plan shall continue with respect
22 to such other employer.

23 “(2) TESTING OF DEFINED CONTRIBUTION
24 PLANS.—

1 “(A) TESTING ON A BENEFITS BASIS.—A
2 defined contribution plan shall be permitted to
3 be tested on a benefits basis if—

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

9 “(ii) for the plan year of the defined
10 contribution plan as of which the class eli-
11 gible to receive such make-whole contribu-
12 tions closes and the 2 succeeding plan
13 years, such closed class of participants sat-
14 isfies the requirements of section
15 410(b)(2)(A)(i) (determined by applying
16 the rules of paragraph (1)(I)),

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

1 “(iv) the class was closed before April
2 5, 2017, or the defined benefit plan under
3 clause (i) is described in paragraph (1)(C)
4 (as applied for purposes of paragraph
5 (1)(B)(iii)(IV)).

6 “(B) AGGREGATION WITH PLANS INCLUD-
7 ING MATCHING CONTRIBUTIONS.—

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

19 “(I) provides matching contribu-
20 tions (as defined in subsection
21 (m)(4)(A)),

22 “(II) provides annuity contracts
23 described in section 403(b) which are
24 purchased with matching contribu-
25 tions or nonelective contributions, or

1 “(III) consists of an employee
2 stock ownership plan (within the
3 meaning of section 4975(e)(7)) or a
4 tax credit employee stock ownership
5 plan (within the meaning of section
6 409(a)).

7 “(ii) SPECIAL RULES FOR MATCHING
8 CONTRIBUTIONS.—Rules similar to the
9 rules of paragraph (1)(B)(ii) shall apply
10 for purposes of clause (i).

11 “(C) SPECIAL RULES FOR TESTING DE-
12 FINED CONTRIBUTION PLAN FEATURES PRO-
13 VIDING MATCHING CONTRIBUTIONS TO CERTAIN
14 OLDER, LONGER SERVICE PARTICIPANTS.—In
15 the case of a defined contribution plan which
16 provides benefits, rights, or features to a closed
17 class of participants whose accruals under a de-
18 fined benefit plan have been reduced or elimi-
19 nated, the plan shall not fail to satisfy the re-
20 quirements of subsection (a)(4) solely by reason
21 of the composition of the closed class or the
22 benefits, rights, or features provided to such
23 closed class if the defined contribution plan and
24 defined benefit plan otherwise meet the require-
25 ments of subparagraph (A) but for the fact that

1 the make-whole contributions under the defined
2 contribution plan are made in whole or in part
3 through matching contributions.

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

17 “(3) DEFINITIONS.—For purposes of this sub-
18 section—

19 “(A) MAKE-WHOLE CONTRIBUTIONS.—Ex-
20 cept as otherwise provided in paragraph (2)(C),
21 the term ‘make-whole contributions’ means non-
22 elective allocations for each employee in the
23 class which are reasonably calculated, in a con-
24 sistent manner, to replace some or all of the re-
25 tirement benefits which the employee would

1 have received under the defined benefit plan
2 and any other plan or qualified cash or deferred
3 arrangement under subsection (k)(2) if no
4 change had been made to such defined benefit
5 plan and such other plan or arrangement. For
6 purposes of the preceding sentence, consistency
7 shall not be required with respect to employees
8 who were subject to different benefit formulas
9 under the defined benefit plan.

10 “(B) REFERENCES TO CLOSED CLASS OF
11 PARTICIPANTS.—References to a closed class of
12 participants and similar references to a closed
13 class shall include arrangements under which 1
14 or more classes of participants are closed, ex-
15 cept that 1 or more classes of participants
16 closed on different dates shall not be aggre-
17 gated for purposes of determining the date any
18 such class was closed.

19 “(C) HIGHLY COMPENSATED EMPLOYEE.—
20 The term ‘highly compensated employee’ has
21 the meaning given such term in section
22 414(q).”.

23 (b) PARTICIPATION REQUIREMENTS.—Section
24 401(a)(26) is amended by adding at the end the following
25 new subparagraph:

1 “(I) PROTECTED PARTICIPANTS.—

2 “(i) IN GENERAL.—A plan shall be
3 deemed to satisfy the requirements of sub-
4 paragraph (A) if—

5 “(I) the plan is amended—

6 “(aa) to cease all benefit ac-
7 cruals, or

8 “(bb) to provide future ben-
9 efit accruals only to a closed
10 class of participants,

11 “(II) the plan satisfies subpara-
12 graph (A) (without regard to this sub-
13 paragraph) as of the effective date of
14 the amendment, and

15 “(III) the amendment was adopt-
16 ed before April 5, 2017, or the plan is
17 described in clause (ii).

18 “(ii) PLANS DESCRIBED.—A plan is
19 described in this clause if the plan would
20 be described in subsection (o)(1)(C), as ap-
21 plied for purposes of subsection
22 (o)(1)(B)(iii)(IV) and by treating the effec-
23 tive date of the amendment as the date the
24 class was closed for purposes of subsection
25 (o)(1)(C).

1 “(iii) SPECIAL RULES.—For purposes
2 of clause (i)(II), in applying section
3 410(b)(6)(C), the amendments described in
4 clause (i) shall not be treated as a signifi-
5 cant change in coverage under section
6 410(b)(6)(C)(i)(II).

7 “(iv) SPUN-OFF PLANS.—For pur-
8 poses of this subparagraph, if a portion of
9 a plan described in clause (i) is spun off to
10 another employer, the treatment under
11 clause (i) of the spun-off plan shall con-
12 tinue with respect to the other employer.”.

13 (c) EFFECTIVE DATE.—

14 (1) IN GENERAL.—Except as provided in para-
15 graph (2), the amendments made by this section
16 shall take effect on the date of the enactment of this
17 Act, without regard to whether any plan modifica-
18 tions referred to in such amendments are adopted or
19 effective before, on, or after such date of enactment.

20 (2) SPECIAL RULES.—

21 (A) ELECTION OF EARLIER APPLICA-
22 TION.—At the election of the plan sponsor, the
23 amendments made by this section shall apply to
24 plan years beginning after December 31, 2013.

1 (B) CLOSED CLASSES OF PARTICIPANTS.—

2 For purposes of paragraphs (1)(A)(iii),
3 (1)(B)(iii)(IV), and (2)(A)(iv) of section 401(o)
4 of the Internal Revenue Code of 1986 (as added
5 by this section), a closed class of participants
6 shall be treated as being closed before April 5,
7 2017, if the plan sponsor's intention to create
8 such closed class is reflected in formal written
9 documents and communicated to participants
10 before such date.

11 (C) CERTAIN POST-ENACTMENT PLAN
12 AMENDMENTS.—A plan shall not be treated as
13 failing to be eligible for the application of sec-
14 tion 401(o)(1)(A), 401(o)(1)(B)(iii), or
15 401(a)(26) of such Code (as added by this sec-
16 tion) to such plan solely because in the case
17 of—

18 (i) such section 401(o)(1)(A), the plan
19 was amended before the date of the enact-
20 ment of this Act to eliminate 1 or more
21 benefits, rights, or features, and is further
22 amended after such date of enactment to
23 provide such previously eliminated benefits,
24 rights, or features to a closed class of par-
25 ticipants, or

1 (ii) such section 401(o)(1)(B)(iii) or
2 section 401(a)(26), the plan was amended
3 before the date of the enactment of this
4 Act to cease all benefit accruals, and is
5 further amended after such date of enact-
6 ment to provide benefit accruals to a closed
7 class of participants. Any such section
8 shall only apply if the plan otherwise meets
9 the requirements of such section and in ap-
10 plying such section, the date the class of
11 participants is closed shall be the effective
12 date of the later amendment.

13 **SEC. 223. FIDUCIARY SAFE HARBOR FOR SELECTION OF**
14 **LIFETIME INCOME PROVIDER.**

15 Section 404 of the Employee Retirement Income Se-
16 curity Act of 1974 (29 U.S.C. 1104) is amended by adding
17 at the end the following:

18 “(e) SAFE HARBOR FOR ANNUITY SELECTION.—

19 “(1) IN GENERAL.—With respect to the selec-
20 tion of an insurer for a guaranteed retirement in-
21 come contract, the requirements of subsection
22 (a)(1)(B) will be deemed to be satisfied if a fidu-
23 ciary—

24 “(A) engages in an objective, thorough,
25 and analytical search for the purpose of identi-

1 fying insurers from which to purchase such con-
2 tracts;

3 “(B) with respect to each insurer identified
4 under subparagraph (A)—

5 “(i) considers the financial capability
6 of such insurer to satisfy its obligations
7 under the guaranteed retirement income
8 contract; and

9 “(ii) considers the cost (including fees
10 and commissions) of the guaranteed retire-
11 ment income contract offered by the in-
12 surer in relation to the benefits and prod-
13 uct features of the contract and adminis-
14 trative services to be provided under such
15 contract; and

16 “(C) on the basis of such consideration,
17 concludes that—

18 “(i) at the time of the selection, the
19 insurer is financially capable of satisfying
20 its obligations under the guaranteed retire-
21 ment income contract; and

22 “(ii) the relative cost of the selected
23 guaranteed retirement income contract as
24 described in subparagraph (B)(ii) is rea-
25 sonable.

1 “(2) FINANCIAL CAPABILITY OF THE IN-
2 SURER.—A fiduciary will be deemed to satisfy the
3 requirements of paragraphs (1)(B)(i) and (1)(C)(i)
4 if—

5 “(A) the fiduciary obtains written rep-
6 resentations from the insurer that—

7 “(i) the insurer is licensed to offer
8 guaranteed retirement income contracts;

9 “(ii) the insurer, at the time of selec-
10 tion and for each of the immediately pre-
11 ceding 7 plan years—

12 “(I) operates under a certificate
13 of authority from the insurance com-
14 missioner of its domiciliary State
15 which has not been revoked or sus-
16 pended;

17 “(II) has filed audited financial
18 statements in accordance with the
19 laws of its domiciliary State under ap-
20 plicable statutory accounting prin-
21 ciples;

22 “(III) maintains (and has main-
23 tained) reserves which satisfies all the
24 statutory requirements of all States
25 where the insurer does business; and

1 “(IV) is not operating under an
2 order of supervision, rehabilitation, or
3 liquidation;

4 “(iii) the insurer undergoes, at least
5 every 5 years, a financial examination
6 (within the meaning of the law of its domi-
7 ciliary State) by the insurance commis-
8 sioner of the domiciliary State (or rep-
9 resentative, designee, or other party ap-
10 proved by such commissioner); and

11 “(iv) the insurer will notify the fidu-
12 ciary of any change in circumstances oc-
13 curring after the provision of the represen-
14 tations in clauses (i), (ii), and (iii) which
15 would preclude the insurer from making
16 such representations at the time of
17 issuance of the guaranteed retirement in-
18 come contract; and

19 “(B) after receiving such representations
20 and as of the time of selection, the fiduciary
21 has not received any notice described in sub-
22 paragraph (A)(iv) and is in possession of no
23 other information which would cause the fidu-
24 ciary to question the representations provided.

1 “(3) NO REQUIREMENT TO SELECT LOWEST
2 COST.—Nothing in this subsection shall be construed
3 to require a fiduciary to select the lowest cost con-
4 tract. A fiduciary may consider the value of a con-
5 tract, including features and benefits of the contract
6 and attributes of the insurer (including, without lim-
7 itation, the insurer’s financial strength) in conjunc-
8 tion with the cost of the contract.

9 “(4) TIME OF SELECTION.—

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

12 “(i) the time that the insurer and the
13 contract are selected for distribution of
14 benefits to a specific participant or bene-
15 ficiary; or

16 “(ii) if the fiduciary periodically re-
17 views the continuing appropriateness of the
18 conclusion described in paragraph (1)(C)
19 with respect to a selected insurer, taking
20 into account the considerations described
21 in such paragraph, the time that the in-
22 surer and the contract are selected to pro-
23 vide benefits at future dates to participants
24 or beneficiaries under the plan.

1 Nothing in the preceding sentence shall be con-
2 strued to require the fiduciary to review the ap-
3 propriateness of a selection after the purchase
4 of a contract for a participant or beneficiary.

5 “(B) PERIODIC REVIEW.—A fiduciary will
6 be deemed to have conducted the periodic re-
7 view described in subparagraph (A)(ii) if the fi-
8 diciary obtains the written representations de-
9 scribed in clauses (i), (ii), and (iii) of paragraph
10 (2)(A) from the insurer on an annual basis, un-
11 less the fiduciary receives any notice described
12 in paragraph (2)(A)(iv) or otherwise becomes
13 aware of facts that would cause the fiduciary to
14 question such representations.

15 “(5) LIMITED LIABILITY.—A fiduciary which
16 satisfies the requirements of this subsection shall not
17 be liable following the distribution of any benefit, or
18 the investment by or on behalf of a participant or
19 beneficiary pursuant to the selected guaranteed re-
20 tirement income contract, for any losses that may
21 result to the participant or beneficiary due to an in-
22 surer’s inability to satisfy its financial obligations
23 under the terms of such contract.

24 “(6) DEFINITIONS.—For purposes of this sub-
25 section—

1 “(A) INSURER.—The term ‘insurer’ means
2 an insurance company, insurance service, or in-
3 surance organization, including affiliates of
4 such companies.

5 “(B) GUARANTEED RETIREMENT INCOME
6 CONTRACT.—The term ‘guaranteed retirement
7 income contract’ means an annuity contract for
8 a fixed term or a contract (or provision or fea-
9 ture thereof) which provides guaranteed bene-
10 fits annually (or more frequently) for at least
11 the remainder of the life of the participant or
12 the joint lives of the participant and the partici-
13 pant’s designated beneficiary as part of an indi-
14 vidual account plan.”.

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

16 (a) IN GENERAL.—Subparagraph (B) of section
17 105(a)(2) of the Employee Retirement Income Security
18 Act of 1974 (29 U.S.C. 1025(a)(2)) is amended—

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

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

21 and inserting “diversification, and”; and

22 (3) by inserting at the end the following:

23 “(iii) the lifetime income disclosure
24 described in subparagraph (D)(i).

1 In the case of pension benefit statements de-
2 scribed in clause (i) of paragraph (1)(A), a life-
3 time income disclosure under clause (iii) of this
4 subparagraph shall be required to be included
5 in only one pension benefit statement during
6 any one 12-month period.”.

7 (b) LIFETIME INCOME.—Paragraph (2) of section
8 105(a) of the Employee Retirement Income Security Act
9 of 1974 (29 U.S.C. 1025(a)) is amended by adding at the
10 end the following new subparagraph:

11 “(D) LIFETIME INCOME DISCLOSURE.—

12 “(i) IN GENERAL.—

13 “(I) DISCLOSURE.—A lifetime in-
14 come disclosure shall set forth the life-
15 time income stream equivalent of the
16 total benefits accrued with respect to
17 the participant or beneficiary.

18 “(II) LIFETIME INCOME STREAM
19 EQUIVALENT OF THE TOTAL BENE-
20 FITS ACCRUED.—For purposes of this
21 subparagraph, the term ‘lifetime in-
22 come stream equivalent of the total
23 benefits accrued’ means the amount of
24 monthly payments the participant or
25 beneficiary would receive if the total

1 accrued benefits of such participant or
2 beneficiary were used to provide life-
3 time income streams described in sub-
4 clause (III), based on assumptions
5 specified in rules prescribed by the
6 Secretary.

7 “(III) LIFETIME INCOME
8 STREAMS.—The lifetime income
9 streams described in this subclause
10 are a qualified joint and survivor an-
11 nuity (as defined in section 205(d)),
12 based on assumptions specified in
13 rules prescribed by the Secretary, in-
14 cluding the assumption that the par-
15 ticipant or beneficiary has a spouse of
16 equal age, and a single life annuity.
17 Such lifetime income streams may
18 have a term certain or other features
19 to the extent permitted under rules
20 prescribed by the Secretary.

21 “(ii) MODEL DISCLOSURE.—Not later
22 than 1 year after the date of the enact-
23 ment of the Retirement Enhancement and
24 Savings Act of 2018, the Secretary shall
25 issue a model lifetime income disclosure,

1 written in a manner so as to be understood
2 by the average plan participant, which—

3 “(I) explains that the lifetime in-
4 come stream equivalent is only pro-
5 vided as an illustration;

6 “(II) explains that the actual
7 payments under the lifetime income
8 stream described in clause (i)(III)
9 which may be purchased with the
10 total benefits accrued will depend on
11 numerous factors and may vary sub-
12 stantially from the lifetime income
13 stream equivalent in the disclosures;

14 “(III) explains the assumptions
15 upon which the lifetime income stream
16 equivalent was determined; and

17 “(IV) provides such other similar
18 explanations as the Secretary con-
19 siders appropriate.

20 “(iii) ASSUMPTIONS AND RULES.—
21 Not later than 1 year after the date of the
22 enactment of the Retirement Enhancement
23 and Savings Act of 2018, the Secretary
24 shall—

1 “(I) prescribe assumptions which
2 administrators of individual account
3 plans may use in converting total ac-
4 crued benefits into lifetime income
5 stream equivalents for purposes of
6 this subparagraph; and

7 “(II) issue interim final rules
8 under clause (i).

9 In prescribing assumptions under sub-
10 clause (I), the Secretary may prescribe a
11 single set of specific assumptions (in which
12 case the Secretary may issue tables or fac-
13 tors which facilitate such conversions), or
14 ranges of permissible assumptions. To the
15 extent that an accrued benefit is or may be
16 invested in a lifetime income stream de-
17 scribed in clause (i)(III), the assumptions
18 prescribed under subclause (I) shall, to the
19 extent appropriate, permit administrators
20 of individual account plans to use the
21 amounts payable under such lifetime in-
22 come stream as a lifetime income stream
23 equivalent.

24 “(iv) LIMITATION ON LIABILITY.—No
25 plan fiduciary, plan sponsor, or other per-

1 son shall have any liability under this title
2 solely by reason of the provision of lifetime
3 income stream equivalents which are de-
4 rived in accordance with the assumptions
5 and rules described in clause (iii) and
6 which include the explanations contained in
7 the model lifetime income disclosure de-
8 scribed in clause (ii). This clause shall
9 apply without regard to whether the provi-
10 sion of such lifetime income stream equiva-
11 lent is required by subparagraph (B)(iii).

12 “(v) EFFECTIVE DATE.—The require-
13 ment in subparagraph (B)(iii) shall apply
14 to pension benefit statements furnished
15 more than 12 months after the latest of
16 the issuance by the Secretary of—

17 “(I) interim final rules under
18 clause (i);

19 “(II) the model disclosure under
20 clause (ii); or

21 “(III) the assumptions under
22 clause (iii).”.

1 **SEC. 225. MODIFICATION OF PBGC PREMIUMS FOR CSEC**
2 **PLANS.**

3 (a) **FLAT RATE PREMIUM.**—Subparagraph (A) of
4 section 4006(a)(3) of the Employee Retirement Income
5 Security Act of 1974 (29 U.S.C. 1306(a)(3)) is amend-
6 ed—

7 (1) in clause (i), by striking “plan,” and insert-
8 ing “plan other than a CSEC plan (as defined in
9 section 210(f)(1))”;

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

11 (3) in clause (vi), by striking the period at the
12 end and inserting “, or”; and

13 (4) by adding at the end the following new
14 clause:

15 “(vii) in the case of a CSEC plan (as
16 defined in section 210(f)(1)), for plan
17 years beginning after December 31, 2018,
18 for each individual who is a participant in
19 such plan during the plan year an amount
20 equal to the sum of—

21 “(I) the additional premium (if
22 any) determined under subparagraph
23 (E), and

24 “(II) \$19.”.

25 (b) **VARIABLE RATE PREMIUM.**—

26 (1) **UNFUNDED VESTED BENEFITS.**—

1 (A) IN GENERAL.—Subparagraph (E) of
2 section 4006(a)(3) of the Employee Retirement
3 Income Security Act of 1974 (29 U.S.C.
4 1306(a)(3)) is amended by adding at the end
5 the following new clause:

6 “(v) For purposes of clause (ii), in the
7 case of a CSEC plan (as defined in section
8 210(f)(1)), the term ‘unfunded vested ben-
9 efits’ means, for plan years beginning after
10 December 31, 2018, the excess (if any)
11 of—

12 “(I) the funding liability of the
13 plan as determined under section
14 306(j)(5)(C) for the plan year by only
15 taking into account vested benefits,
16 over

17 “(II) the fair market value of
18 plan assets for the plan year which
19 are held by the plan on the valuation
20 date.”.

21 (B) CONFORMING AMENDMENT.—Clause
22 (iii) of section 4006(a)(3)(E) of such Act (29
23 U.S.C. 1306(a)(3)(E)) is amended by striking
24 “For purposes” and inserting “Except as pro-
25 vided in clause (v), for purposes”.

1 (2) APPLICABLE DOLLAR AMOUNT.—

2 (A) IN GENERAL.—Paragraph (8) of sec-
3 tion 4006(a) of such Act (29 U.S.C. 1306(a))
4 is amended by adding at the end the following
5 new subparagraph:

6 “(E) CSEC PLANS.—In the case of a
7 CSEC plan (as defined in section 210(f)(1)),
8 the applicable dollar amount shall be \$9.”.

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

13 **Subtitle C—Other Savings**
14 **Provisions**

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

16 (a) DISTRIBUTIONS FOR CERTAIN EXPENSES ASSO-
17 CIATED WITH REGISTERED APPRENTICESHIP PRO-
18 GRAMS.—Section 529(c) of the Internal Revenue Code of
19 1986 is amended by adding at the end the following new
20 paragraph:

21 “(8) TREATMENT OF CERTAIN EXPENSES ASSO-
22 CIATED WITH REGISTERED APPRENTICESHIP PRO-
23 GRAMS.—Any reference in this subsection to the
24 term ‘qualified higher education expense’ shall in-
25 clude a reference to expenses for fees, books, sup-

1 plies, and equipment required for the participation
2 of a designated beneficiary in an apprenticeship pro-
3 gram registered and certified with the Secretary of
4 Labor under section 1 of the National Apprenticeship
5 Act (29 U.S.C. 50).”.

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

10 “(A) expenses for tuition in connection
11 with enrollment or attendance of a designated
12 beneficiary at an elementary or secondary pub-
13 lic, private, or religious school, and

14 “(B) expenses, with respect to a des-
15 ignated beneficiary, for—

16 “(i) curriculum and curricular mate-
17 rials,

18 “(ii) books or other instructional ma-
19 terials,

20 “(iii) online educational materials,

21 “(iv) tuition for tutoring or edu-
22 cational classes outside of the home (but
23 only if the tutor or class instructor is not
24 related (within the meaning of section
25 152(d)(2)) to the student),

1 “(v) dual enrollment in an institution
2 of higher education, and

3 “(vi) educational therapies for stu-
4 dents with disabilities,

5 in connection with a homeschool (whether treat-
6 ed as a homeschool or a private school for pur-
7 poses of applicable State law).”.

8 (c) DISTRIBUTIONS FOR QUALIFIED EDUCATION
9 LOAN REPAYMENTS.—

10 (1) IN GENERAL.—Section 529(e) of such Code,
11 as amended by subsection (a), is amended by adding
12 at the end the following new paragraph:

13 “(9) TREATMENT OF QUALIFIED EDUCATION
14 LOAN REPAYMENTS.—

15 “(A) IN GENERAL.—Any reference in this
16 subsection to the term ‘qualified higher edu-
17 cation expense’ shall include a reference to
18 amounts paid as principal or interest on any
19 qualified education loan (as defined in section
20 221(d)) of the designated beneficiary or a sib-
21 ling of the designated beneficiary.

22 “(B) LIMITATION.—The amount of dis-
23 tributions treated as a qualified higher edu-
24 cation expense under this paragraph with re-
25 spect to the loans of any individual shall not ex-

1 ceed \$10,000 (reduced by the amount of dis-
2 tributions so treated for all prior taxable years).

3 “(C) SPECIAL RULES FOR SIBLINGS OF
4 THE DESIGNATED BENEFICIARY.—

5 “(i) SEPARATE ACCOUNTING.—For
6 purposes of subparagraph (B) and sub-
7 section (d), amounts treated as a qualified
8 higher education expense with respect to
9 the loans of a sibling of the designated
10 beneficiary shall be taken into account
11 with respect to such sibling and not with
12 respect to such designated beneficiary.

13 “(ii) SIBLING DEFINED.—For pur-
14 poses of this paragraph, the term ‘sibling’
15 means an individual who bears a relation-
16 ship to the designated beneficiary which is
17 described in section 152(d)(2)(B).”.

18 (2) COORDINATION WITH DEDUCTION FOR STU-
19 DENT LOAN INTEREST.—Section 221(e)(1) of such
20 Code is amended by adding at the end the following:
21 “The deduction otherwise allowable under subsection
22 (a) (prior to the application of subsection (b)) to the
23 taxpayer for any taxable year shall be reduced (but
24 not below zero) by so much of the distributions
25 treated as a qualified higher education expense

1 under section 529(c)(9) with respect to loans of the
2 taxpayer as would be includible in gross income
3 under section 529(c)(3)(A) for such taxable year but
4 for such treatment.”.

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

9 “(A) expenses described in section
10 530(b)(3)(A)(i) in connection with enrollment
11 or attendance of a designated beneficiary at an
12 elementary or secondary public, private, or reli-
13 gious school, and”.

14 (e) UNBORN CHILDREN ALLOWED AS ACCOUNT
15 BENEFICIARIES.—Section 529(e) is amended by adding at
16 the end the following new paragraph:

17 “(6) TREATMENT OF UNBORN CHILDREN.—

18 “(A) IN GENERAL.—Nothing shall prevent
19 an unborn child from being treated as a des-
20 ignated beneficiary or an individual under this
21 section.

22 “(B) UNBORN CHILD.—For purposes of
23 this paragraph—

24 “(i) IN GENERAL.—The term ‘unborn
25 child’ means a child in utero.

1 “(ii) CHILD IN UTERO.—The term
2 ‘child in utero’ means a member of the
3 species homo sapiens, at any stage of de-
4 velopment, who is carried in the womb.”.

5 (f) EFFECTIVE DATES.—

6 (1) IN GENERAL.—Except as otherwise pro-
7 vided in this subsection, the amendments made by
8 this section shall apply to distributions made after
9 December 31, 2018.

10 (2) UNBORN CHILDREN ALLOWED AS ACCOUNT
11 BENEFICIARIES.—The amendment made by sub-
12 section (e) shall apply to contributions made after
13 December 31, 2018.

14 **SEC. 232. PENALTY-FREE WITHDRAWALS FROM RETIRE-**
15 **MENT PLANS FOR INDIVIDUALS IN CASE OF**
16 **BIRTH OF CHILD OR ADOPTION.**

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

19 “(H) DISTRIBUTIONS FROM RETIREMENT
20 PLANS IN CASE OF BIRTH OF CHILD OR ADOP-
21 TION.—

22 “(i) IN GENERAL.—Any qualified
23 birth or adoption distribution.

24 “(ii) LIMITATION.—The aggregate
25 amount which may be treated as qualified

1 birth or adoption distributions by any indi-
2 vidual with respect to any birth or adop-
3 tion shall not exceed \$7,500.

4 “(iii) QUALIFIED BIRTH OR ADOPTION
5 DISTRIBUTION.—For purposes of this sub-
6 paragraph—

7 “(I) IN GENERAL.—The term
8 ‘qualified birth or adoption distribu-
9 tion’ means any distribution from an
10 applicable eligible retirement plan to
11 an individual if made during the 1-
12 year period beginning on the date on
13 which a child of the individual is born
14 or on which the legal adoption by the
15 individual of an eligible child is final-
16 ized.

17 “(II) ELIGIBLE CHILD.—The
18 term ‘eligible child’ means any indi-
19 vidual (other than a child of the tax-
20 payer’s spouse) who has not attained
21 age 18 or is physically or mentally in-
22 capable of self-support.

23 “(iv) TREATMENT OF PLAN DISTRIBUTI-
24 TIONS.—

1 “(I) IN GENERAL.—If a distribu-
2 tion to an individual would (without
3 regard to clause (ii)) be a qualified
4 birth or adoption distribution, a plan
5 shall not be treated as failing to meet
6 any requirement of this title merely
7 because the plan treats the distribu-
8 tion as a qualified birth or adoption
9 distribution, unless the aggregate
10 amount of such distributions from all
11 plans maintained by the employer
12 (and any member of any controlled
13 group which includes the employer) to
14 such individual exceeds \$7,500.

15 “(II) CONTROLLED GROUP.—For
16 purposes of subclause (I), the term
17 ‘controlled group’ means any group
18 treated as a single employer under
19 subsection (b), (c), (m), or (o) of sec-
20 tion 414.

21 “(v) AMOUNT DISTRIBUTED MAY BE
22 REPAID.—

23 “(I) IN GENERAL.—Any indi-
24 vidual who receives a qualified birth
25 or adoption distribution may make

1 one or more contributions in an ag-
2 gregate amount not to exceed the
3 amount of such distribution to an ap-
4 plicable eligible retirement plan of
5 which such individual is a beneficiary
6 and to which a rollover contribution of
7 such distribution could be made under
8 section 402(c), 403(a)(4), 403(b)(8),
9 408(d)(3), or 457(e)(16), as the case
10 may be.

11 “(II) LIMITATION ON CONTRIBU-
12 TIONS TO APPLICABLE ELIGIBLE RE-
13 TIREMENT PLANS OTHER THAN
14 IRAS.—The aggregate amount of con-
15 tributions made by an individual
16 under subclause (I) to any applicable
17 eligible retirement plan which is not
18 an individual retirement plan shall not
19 exceed the aggregate amount of quali-
20 fied birth or adoption distributions
21 which are made from such plan to
22 such individual. Subclause (I) shall
23 not apply to contributions to any ap-
24 plicable eligible retirement plan which
25 is not an individual retirement plan

1 unless the individual is eligible to
2 make contributions (other than those
3 described in subclause (I)) to such ap-
4 plicable eligible retirement plan.

5 “(III) TREATMENT OF REPAY-
6 MENTS OF DISTRIBUTIONS FROM AP-
7 PPLICABLE ELIGIBLE RETIREMENT
8 PLANS OTHER THAN IRAS.—If a con-
9 tribution is made under subclause (I)
10 with respect to a qualified birth or
11 adoption distribution from an applica-
12 ble eligible retirement plan other than
13 an individual retirement plan, then
14 the taxpayer shall, to the extent of the
15 amount of the contribution, be treated
16 as having received such distribution in
17 an eligible rollover distribution (as de-
18 fined in section 402(c)(4)) and as
19 having transferred the amount to the
20 applicable eligible retirement plan in a
21 direct trustee to trustee transfer with-
22 in 60 days of the distribution.

23 “(IV) TREATMENT OF REPAY-
24 MENTS FOR DISTRIBUTIONS FROM
25 IRAS.—If a contribution is made

1 under subclause (I) with respect to a
2 qualified birth or adoption distribution
3 from an individual retirement plan,
4 then, to the extent of the amount of
5 the contribution, such distribution
6 shall be treated as a distribution de-
7 scribed in section 408(d)(3) and as
8 having been transferred to the appli-
9 cable eligible retirement plan in a di-
10 rect trustee to trustee transfer within
11 60 days of the distribution.

12 “(vi) DEFINITION AND SPECIAL
13 RULES.—For purposes of this subpara-
14 graph—

15 “(I) APPLICABLE ELIGIBLE RE-
16 TIREMENT PLAN.—The term ‘applica-
17 ble eligible retirement plan’ means an
18 eligible retirement plan (as defined in
19 section 402(c)(8)(B)) other than a de-
20 fined benefit plan.

21 “(II) EXEMPTION OF DISTRIBU-
22 TIONS FROM TRUSTEE TO TRUSTEE
23 TRANSFER AND WITHHOLDING
24 RULES.—For purposes of sections
25 401(a)(31), 402(f), and 3405, a quali-

1 fied birth or adoption distribution
2 shall not be treated as an eligible roll-
3 over distribution.

4 “(III) TAXPAYER MUST INCLUDE
5 TIN.—A distribution shall not be
6 treated as a qualified birth or adop-
7 tion distribution with respect to any
8 child or eligible child unless the tax-
9 payer includes the name, age, and
10 TIN of such child or eligible child on
11 the taxpayer’s return of tax for the
12 taxable year.

13 “(IV) DISTRIBUTIONS TREATED
14 AS MEETING PLAN DISTRIBUTION RE-
15 QUIREMENTS.—Any qualified birth or
16 adoption distribution shall be treated
17 as meeting the requirements of sec-
18 tions 401(k)(2)(B)(i),
19 403(b)(7)(A)(ii), 403(b)(11), and
20 457(d)(1)(A).”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to distributions made after Decem-
23 ber 31, 2018.

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

4 **SEC. 301. EXTENSION OF MORATORIUM ON MEDICAL DE-**
5 **VICE EXCISE TAX.**

6 Section 4191(c) of the Internal Revenue Code of
7 1986 is amended by striking “December 31, 2019” and
8 inserting “December 31, 2024”.

9 **SEC. 302. DELAY IN IMPLEMENTATION OF EXCISE TAX ON**
10 **HIGH COST EMPLOYER-SPONSORED HEALTH**
11 **COVERAGE.**

12 Section 9001(c) of the Patient Protection and Afford-
13 able Care Act is amended by striking “December 31,
14 2021” and inserting “December 31, 2022”.

15 **SEC. 303. EXTENSION OF SUSPENSION OF ANNUAL FEE ON**
16 **HEALTH INSURANCE PROVIDERS.**

17 Section 9010(j)(3) of the Patient Protection and Af-
18 fordable Care Act is amended by striking “December 31,
19 2019” and inserting “December 31, 2021”.

20 **SEC. 304. REPEAL OF EXCISE TAX ON INDOOR TANNING**
21 **SERVICES.**

22 (a) IN GENERAL.—Subtitle D of the Internal Rev-
23 enue Code of 1986 is amended by striking chapter 49 and
24 by striking the item relating to such chapter in the table
25 of chapters of such subtitle.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to services performed in calendar
3 quarters beginning more than 30 days after the date of
4 the enactment of this Act.

5 **TITLE IV—OTHER PROVISIONS**

6 **SEC. 401. TECHNICAL AMENDMENTS RELATING TO PUBLIC**

7 **LAW 115–97.**

8 (a) AMENDMENT RELATING TO SECTION 11011.—
9 Section 852(b) is amended by adding at the end the fol-
10 lowing:

11 “(10) TREATMENT BY SHAREHOLDERS OF
12 QUALIFIED REIT DIVIDENDS AND QUALIFIED PUB-
13 LICLY TRADED PARTNERSHIP INCOME.—

14 “(A) IN GENERAL.—A shareholder of a
15 regulated investment company shall take into
16 account for purposes of section
17 199A(b)(1)(B)—

18 “(i) as a qualified REIT dividend the
19 amount which is reported by the company
20 (in written statements furnished to its
21 shareholders) as being attributable to
22 qualified REIT dividends received by the
23 company, and

24 “(ii) as qualified publicly traded part-
25 nership income the amount which is re-

1 ported by the company (in written state-
2 ments furnished to its shareholders) as
3 being attributable to qualified publicly
4 traded partnership income of the company.

5 “(B) EXCESS REPORTED AMOUNTS.—
6 Rules similar to the rules of clauses (ii) and
7 (iii) of paragraph (5)(A) shall apply for pur-
8 poses of this paragraph.

9 “(C) NEGATIVE QUALIFIED PUBLICLY
10 TRADED PARTNERSHIP INCOME REQUIRED TO
11 BE TAKEN INTO ACCOUNT.—If the qualified
12 publicly traded partnership income of the com-
13 pany is less than zero, such income shall be re-
14 ported by the company under subparagraph
15 (A)(ii).

16 “(D) REGULATIONS.—The Secretary shall
17 issue such regulations or other guidance as may
18 be necessary or appropriate to carry out the
19 purposes of this paragraph.”.

20 (b) AMENDMENTS RELATING TO SECTION 13204.—

21 (1) Section 168(e)(3)(E) is amended by striking
22 “and” at the end of clause (v), by striking the pe-
23 riod at the end of clause (vi) and inserting “, and”,
24 and by adding at the end the following new clause:

1 “(vii) any qualified improvement prop-
2 erty.”.

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

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

7 (B) by inserting after the item relating to
8 subparagraph (E)(vi) the following new item:

“(E)(vii) 20”.

9 (c) AMENDMENT RELATING TO SECTION 13302.—

10 Section 13302(e)(2) of Public Law 115-97 is amended by
11 striking “ending” and inserting “beginning”.

12 (d) AMENDMENT RELATING TO SECTION 13307.—

13 Section 162(q)(2) is amended by inserting “in the case
14 of the taxpayer for whom a deduction is disallowed by rea-
15 son of paragraph (1),” before “attorney’s fees”.

16 (e) AMENDMENT RELATING TO SECTION 14103.—

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

19 “(7) INSTALLMENTS NOT TO PREVENT CREDIT
20 OR REFUND OF OVERPAYMENTS OR INCREASE ESTI-
21 MATED TAXES.—If an election is made under para-
22 graph (1) to pay the net tax liability under this sec-
23 tion in installments—

24 “(A) no installment of such net tax liabil-
25 ity shall—

1 “(i) in the case of a request for credit
2 or refund, be taken into account as a li-
3 ability for purposes of determining whether
4 an overpayment exists for purposes of sec-
5 tion 6402 before the date on which such
6 installment is due, or

7 “(ii) for purposes of sections 6425,
8 6654, and 6655, be treated as a tax im-
9 posed by section 1, section 11, or sub-
10 chapter L of chapter 1, and

11 “(B) the first sentence of section 6403
12 shall not apply with respect to any such install-
13 ment.”.

14 (2) LIMITATION ON PAYMENT OF INTEREST.—
15 In the case of the portion of any overpayment which
16 exists by reason of the application of section
17 965(h)(7) of the Internal Revenue Code of 1986 (as
18 added by this subsection)—

19 (A) if credit or refund of such portion is
20 made on or before the date which is 45 days
21 after the date of the enactment of this Act, no
22 interest shall be payable under section 6611 of
23 such Code with respect to such portion, and

24 (B) if credit or refund of such portion is
25 made after the date which is 45 days after the

1 date of the enactment of this Act, no interest
2 shall be payable under section 6611 of such
3 Code with respect to such portion for any pe-
4 riod before the date of the enactment of this
5 Act.

6 (f) AMENDMENTS RELATING TO SECTION 14213.—

7 (1) Section 958(b) is amended—

8 (A) by inserting after paragraph (3) the
9 following:

10 “(4) Subparagraphs (A), (B), and (C) of sec-
11 tion 318(a)(3) shall not be applied so as to consider
12 a United States person as owning stock which is
13 owned by a person who is not a United States per-
14 son.”, and

15 (B) by striking “Paragraph (1)” in the
16 last sentence and inserting “Paragraphs (1)
17 and (4)”.

18 (2) Subpart F of part III of subchapter N of
19 chapter 1 is amended by inserting after section
20 951A the following new section:

1 **“SEC. 951B. AMOUNTS INCLUDED IN GROSS INCOME OF**
2 **FOREIGN CONTROLLED UNITED STATES**
3 **SHAREHOLDERS.**

4 “(a) IN GENERAL.—In the case of any foreign con-
5 trolled United States shareholder of a foreign controlled
6 foreign corporation—

7 “(1) this subpart (other than sections 951A,
8 951(b), 957, and 965) shall be applied with respect
9 to such shareholder (separately from, and in addi-
10 tion to, the application of this subpart without re-
11 gard to this section)—

12 “(A) by substituting ‘foreign controlled
13 United States shareholder’ for ‘United States
14 shareholder’ each place it appears therein, and

15 “(B) by substituting ‘foreign controlled
16 foreign corporation’ for ‘controlled foreign cor-
17 poration’ each place it appears therein, and

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

20 “(A) by treating each reference to ‘United
21 States shareholder’ in such section as including
22 a reference to such shareholder, and

23 “(B) by treating each reference to ‘con-
24 trolled foreign corporation’ in such section as
25 including a reference to such foreign controlled
26 foreign corporation.

1 “(b) FOREIGN CONTROLLED UNITED STATES
2 SHAREHOLDER.—For purposes of this section, the term
3 ‘foreign controlled United States shareholder’ means, with
4 respect to any foreign corporation, any United States per-
5 son which would be a United States shareholder with re-
6 spect to such foreign corporation if—

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

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

11 “(c) FOREIGN CONTROLLED FOREIGN CORPORA-
12 TION.—For purposes of this section, the term ‘foreign con-
13 trolled foreign corporation’ means a foreign corporation,
14 other than a controlled foreign corporation, which would
15 be a controlled foreign corporation if section 957(a) were
16 applied—

17 “(1) by substituting ‘foreign controlled United
18 States shareholders’ for ‘United States share-
19 holders’, and

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

22 “(d) REGULATIONS.—The Secretary shall prescribe
23 such regulations or other guidance as may be necessary
24 or appropriate to carry out the purposes of this section,
25 including regulations or other guidance—

1 “(1) to treat a foreign controlled United States
2 shareholder or a foreign controlled foreign corpora-
3 tion as a United States shareholder or as a con-
4 trolled foreign corporation, respectively, for purposes
5 of provisions of this title other than this subpart,
6 and

7 “(2) to prevent the avoidance of the purposes of
8 this section.”.

9 (3) The amendments made by paragraphs (1)
10 and (2) shall apply to—

11 (A) the last taxable year of foreign cor-
12 porations beginning before January 1, 2018,
13 and each subsequent taxable year of such for-
14 eign corporations, and

15 (B) taxable years of United States persons
16 in which or with which such taxable years of
17 foreign corporations end.

18 (g) EFFECTIVE DATES.—Except as otherwise pro-
19 vided in this section, the amendments made by this section
20 shall take effect as if included in the provision of Public
21 Law 115-97 to which they relate.

1 **SEC. 402. CLARIFICATION OF TREATMENT OF VETERANS AS**
2 **SPECIFIED GROUP FOR PURPOSES OF THE**
3 **LOW-INCOME HOUSING TAX CREDIT.**

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

7 **SEC. 403. CLARIFICATION OF GENERAL PUBLIC USE RE-**
8 **QUIREMENT FOR QUALIFIED RESIDENTIAL**
9 **RENTAL PROJECTS.**

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

12 “(F) **CLARIFICATION OF GENERAL PUBLIC USE**
13 **REQUIREMENT.**—Rules similar to the rules of sec-
14 tion 42(g)(9) shall apply for purposes of this sub-
15 section.”.

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

19 **SEC. 404. FLOOR PLAN FINANCING APPLICABLE TO CER-**
20 **TAIN TRAILERS AND CAMPERS.**

21 (a) **IN GENERAL.**—Section 163(j)(9)(C) is amended
22 by adding at the end the following new flush sentence:

23 “Such term shall include any trailer or camper
24 which is designed to provide temporary living
25 quarters for recreational, camping, travel, or

1 seasonal use and is designed to be towed by, or
2 affixed to, a motor vehicle.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to taxable years beginning after
5 December 31, 2017.

6 **SEC. 405. REPEAL OF INCREASE IN UNRELATED BUSINESS**
7 **TAXABLE INCOME BY DISALLOWED FRINGE.**

8 (a) **IN GENERAL.**—Section 512(a) is amended by
9 striking paragraph (7).

10 (b) **EFFECTIVE DATE.**—The amendment made by
11 this section shall take effect as if included in section
12 13703 of Public Law 115-97.

13 **SEC. 406. CERTAIN PURCHASES OF EMPLOYEE-OWNED**
14 **STOCK DISREGARDED FOR PURPOSES OF**
15 **FOUNDATION TAX ON EXCESS BUSINESS**
16 **HOLDINGS.**

17 (a) **IN GENERAL.**—Section 4943(c)(4)(A) is amended
18 by adding at the end the following new clause:

19 “(v) **CERTAIN PURCHASES OF EM-**
20 **PLOYEE-OWNED STOCK DISREGARDED.**—
21 For purposes of clause (i), subparagraph
22 (D), and paragraph (2), any voting stock
23 which—

24 “(I) is not readily tradable on an
25 established securities market,

1 “(II) is purchased by the busi-
2 ness enterprise on or after January 1,
3 2005, from a stock bonus or profit
4 sharing plan described in section
5 401(a) in which employees of such
6 business enterprise participate, in con-
7 nection with a distribution from such
8 plan, and

9 “(III) is held by the business en-
10 terprise as treasury stock, cancelled,
11 or retired,

12 shall be treated as outstanding voting
13 stock, but only to the extent so treating
14 such stock would not result in permitted
15 holdings exceeding 49 percent (determined
16 without regard to this clause). The pre-
17 ceding sentence shall not apply with re-
18 spect to the purchase of stock from a plan
19 during the 10-year period beginning on the
20 date the plan is established.”

21 (b) EFFECTIVE DATE.—

22 (1) IN GENERAL.—The amendments made by
23 this section shall apply to taxable years ending after
24 the date of enactment of this Act and to purchases
25 by a business enterprise of voting stock in taxable

1 years beginning before, on, or after the date of en-
2 actment of this Act.

3 (2) SPECIAL RULE FOR GRANDFATHERED
4 FOUNDATIONS IN CASE OF DECREASE IN OWNER-
5 SHIP BY REASON OF PRE-ENACTMENT PUR-
6 CHASES.—Section 4943(c)(4)(A)(ii) of the Internal
7 Revenue Code of 1986 shall not apply with respect
8 to any decrease in the percentage of holdings in a
9 business enterprise by reason of section
10 4943(c)(4)(A)(v) of such Code (as added by this sec-
11 tion).

12 **SEC. 407. ALLOWING 501(c)(3) ORGANIZATION TO MAKE**
13 **STATEMENTS RELATING TO POLITICAL CAM-**
14 **PAIGN IN ORDINARY COURSE OF CARRYING**
15 **OUT ITS TAX EXEMPT PURPOSE.**

16 (a) IN GENERAL.—Section 501 of the Internal Rev-
17 enue Code of 1986 is amended by adding at the end the
18 following new subsection:

19 “(s) SPECIAL RULE RELATING TO POLITICAL CAM-
20 PAIGN STATEMENTS OF ORGANIZATION DESCRIBED IN
21 SUBSECTION (c)(3).—

22 “(1) IN GENERAL.—For purposes of subsection
23 (c)(3) and sections 170(c)(2), 2055, 2106, 2522,
24 and 4955, an organization shall not fail to be treat-
25 ed as organized and operated exclusively for a pur-

1 pose described in subsection (c)(3), nor shall it be
2 deemed to have participated in, or intervened in any
3 political campaign on behalf of (or in opposition to)
4 any candidate for public office, solely because of the
5 content of any statement which—

6 “(A) is made in the ordinary course of the
7 organization’s regular and customary activities
8 in carrying out its exempt purpose, and

9 “(B) results in the organization incurring
10 not more than de minimis incremental ex-
11 penses.”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years ending after the
14 date of the enactment of this Act.

15 **SEC. 408. CHARITABLE ORGANIZATIONS PERMITTED TO**
16 **MAKE COLLEGIATE HOUSING AND INFRA-**
17 **STRUCTURE GRANTS.**

18 (a) IN GENERAL.—Section 501, as amended by the
19 preceding provisions of this Act, is amended by adding at
20 the end the following new subsection:

21 “(t) TREATMENT OF ORGANIZATIONS MAKING COL-
22 LEGIATE HOUSING AND INFRASTRUCTURE IMPROVEMENT
23 GRANTS.—

24 “(1) IN GENERAL.—For purposes of subsection
25 (c)(3) and sections 170(c)(2)(B), 2055(a)(2), and

1 2522(a)(2), an organization shall not fail to be
2 treated as organized and operated exclusively for
3 charitable or educational purposes solely because
4 such organization makes collegiate housing and in-
5 frastructure grants to an organization described in
6 subsection (c)(7) which applies the grant to its colle-
7 giate housing property.

8 “(2) HOUSING AND INFRASTRUCTURE
9 GRANTS.—For purposes of paragraph (1), collegiate
10 housing and infrastructure grants are grants to pro-
11 vide, improve, operate, or maintain collegiate hous-
12 ing property that may involve more than incidental
13 social, recreational, or private purposes, so long as
14 such grants are for purposes that would be permis-
15 sible for a dormitory or other residential facility of
16 the college or university with which the collegiate
17 housing property is associated. A grant shall not be
18 treated as a collegiate housing and infrastructure
19 grant for purposes of paragraph (1) to the extent
20 that such grant is used to provide physical fitness
21 facilities.

22 “(3) COLLEGIATE HOUSING PROPERTY.—For
23 purposes of this subsection, collegiate housing prop-
24 erty is property in which, at the time of a grant or
25 following the acquisition, lease, construction, or

1 modification of such property using such grant, sub-
2 stantially all of the residents are full-time students
3 at the college or university in the community where
4 such property is located.

5 “(4) GRANTS TO CERTAIN ORGANIZATIONS
6 HOLDING TITLE TO PROPERTY, ETC.—For purposes
7 of this subsection, a collegiate housing and infra-
8 structure grant to an organization described in sub-
9 section (c)(2) or (c)(7) holding title to property ex-
10 clusively for the benefit of an organization described
11 in subsection (c)(7) shall be considered a grant to
12 the organization described in subsection (c)(7) for
13 whose benefit such property is held.”.

14 (b) EFFECTIVE DATE.—The amendment made by
15 this section shall apply to grants made in taxable years
16 ending after the date of the enactment of this Act.

17 **SEC. 409. RESTRICTION ON REGULATION OF CONTINGENCY**
18 **FEEES WITH RESPECT TO TAX RETURNS, ETC.**

19 The Secretary of the Treasury may not regulate, pro-
20 hibit, or restrict the use of a contingent fee in connection
21 with tax returns, claims for refund, or documents in con-
22 nection with tax returns or claims for refund prepared on
23 behalf of a taxpayer.

1 **DIVISION B—TAXPAYER FIRST**
2 **ACT OF 2018**

3 **SECTION 1. SHORT TITLE; ETC.**

4 (a) **SHORT TITLE.**—This division may be cited as the
5 “Taxpayer First Act of 2018”.

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

12 (c) **TABLE OF CONTENTS.**—The table of contents for
13 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 summonses.

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 summonses.

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 add-
 8 ing at the end the following new subsection:

9 “(e) INDEPENDENT OFFICE OF APPEALS.—

1 “(1) ESTABLISHMENT.—There is established in
2 the Internal Revenue Service an office to be known
3 as the ‘Internal Revenue Service Independent Office
4 of Appeals’.

5 “(2) CHIEF OF APPEALS.—

6 “(A) IN GENERAL.—The Internal Revenue
7 Service Independent Office of Appeals shall be
8 under the supervision and direction of an offi-
9 cial to be known as the ‘Chief of Appeals’. The
10 Chief of Appeals shall report directly to the
11 Commissioner of the Internal Revenue Service
12 and shall be entitled to compensation at the
13 same rate as the highest rate of basic pay es-
14 tablished for the Senior Executive Service under
15 section 5382 of title 5, United States Code.

16 “(B) APPOINTMENT.—The Chief of Ap-
17 peals shall be appointed by the Commissioner of
18 the Internal Revenue Service without regard to
19 the provisions of title 5, United States Code, re-
20 lating to appointments in the competitive serv-
21 ice or the Senior Executive Service.

22 “(C) QUALIFICATIONS.—An individual ap-
23 pointed under subparagraph (B) shall have ex-
24 perience and expertise in—

1 “(i) administration of, and compliance
2 with, Federal tax laws,

3 “(ii) a broad range of compliance
4 cases, and

5 “(iii) management of large service or-
6 ganizations.

7 “(3) PURPOSES AND DUTIES OF OFFICE.—It
8 shall be the function of the Internal Revenue Service
9 Independent Office of Appeals to resolve Federal tax
10 controversies without litigation on a basis which—

11 “(A) is fair and impartial to both the Gov-
12 ernment and the taxpayer,

13 “(B) promotes a consistent application and
14 interpretation of, and voluntary compliance
15 with, the Federal tax laws, and

16 “(C) enhances public confidence in the in-
17 tegrity and efficiency of the Internal Revenue
18 Service.

19 “(4) RIGHT OF APPEAL.—The resolution proc-
20 ess described in paragraph (3) shall be generally
21 available to all taxpayers.

22 “(5) LIMITATION ON DESIGNATION OF CASES
23 AS NOT ELIGIBLE FOR REFERRAL TO INDEPENDENT
24 OFFICE OF APPEALS.—

1 “(A) IN GENERAL.—If any taxpayer which
2 is in receipt of a notice of deficiency authorized
3 under section 6212 requests referral to the In-
4 ternal Revenue Service Independent Office of
5 Appeals and such request is denied, the Com-
6 missioner of the Internal Revenue Service shall
7 provide such taxpayer a written notice which—

8 “(i) provides a detailed description of
9 the facts involved, the basis for the deci-
10 sion to deny the request, and a detailed ex-
11 planation of how the basis of such decision
12 applies to such facts, and

13 “(ii) describes the procedures pre-
14 scribed under subparagraph (C) for pro-
15 testing the decision to deny the request.

16 “(B) REPORT TO CONGRESS.—The Com-
17 missioner of the Internal Revenue Service shall
18 submit a written report to Congress on an an-
19 nual basis which includes the number of re-
20 quests described in subparagraph (A) which
21 were denied and the reasons (described by cat-
22 egory) that such requests were denied.

23 “(C) PROCEDURES FOR PROTESTING DE-
24 NIAL OF REQUEST.—The Commissioner of the
25 Internal Revenue Service shall prescribe proce-

1 dures for protesting to the Commissioner of the
2 Internal Revenue Service a denial of a request
3 described in subparagraph (A).

4 “(D) NOT APPLICABLE TO FRIVOLOUS PO-
5 SITIONS.—This paragraph shall not apply to a
6 request for referral to the Internal Revenue
7 Service Independent Office of Appeals which is
8 denied on the basis that the issue involved is a
9 frivolous position (within the meaning of section
10 6702(c)).

11 “(6) STAFF.—

12 “(A) IN GENERAL.—All personnel in the
13 Internal Revenue Service Independent Office of
14 Appeals shall report to the Chief of Appeals.

15 “(B) ACCESS TO STAFF OF OFFICE OF
16 THE CHIEF COUNSEL.—The Chief of Appeals
17 shall have authority to obtain legal assistance
18 and advice from the staff of the Office of the
19 Chief Counsel. The Chief Counsel shall ensure
20 that such assistance and advice is provided by
21 staff of the Office of the Chief Counsel who
22 were not involved in the case with respect to
23 which such assistance and advice is sought and
24 who are not involved in preparing such case for
25 litigation.

1 “(7) ACCESS TO CASE FILES.—

2 “(A) IN GENERAL.—In any case in which
3 a conference with the Internal Revenue Service
4 Independent Office of Appeals has been sched-
5 uled upon request of a specified taxpayer, the
6 Chief of Appeals shall ensure that such tax-
7 payer is provided access to the nonprivileged
8 portions of the case file on record regarding the
9 disputed issues (other than documents provided
10 by the taxpayer to the Internal Revenue Serv-
11 ice) not later than 10 days before the date of
12 such conference.

13 “(B) TAXPAYER ELECTION TO EXPEDITE
14 CONFERENCE.—If the taxpayer so elects, sub-
15 paragraph (A) shall be applied by substituting
16 ‘the date of such conference’ for ‘10 days before
17 the date of such conference’.

18 “(C) SPECIFIED TAXPAYER.—For pur-
19 poses of this paragraph—

20 “(i) IN GENERAL.—The term ‘speci-
21 fied taxpayer’ means—

22 “(I) in the case of any taxpayer
23 who is a natural person, a taxpayer
24 whose adjusted gross income does not

1 exceed \$400,000 for the taxable year
2 to which the dispute relates, and

3 “(II) in the case of any other
4 taxpayer, a taxpayer whose gross re-
5 ceipts do not exceed \$5,000,000 for
6 the taxable year to which the dispute
7 relates.

8 “(ii) AGGREGATION RULE.—Rules
9 similar to the rules of section 448(c)(2)
10 shall apply for purposes of clause (i)(II).”.

11 (b) CONFORMING AMENDMENTS.—

12 (1) The following provisions are each amended
13 by striking “Internal Revenue Service Office of Ap-
14 peals” and inserting “Internal Revenue Service
15 Independent Office of Appeals”:

16 (A) Section 6015(c)(4)(B)(ii)(I).

17 (B) Section 6320(b)(1).

18 (C) Subsections (b)(1) and (d)(3) of sec-
19 tion 6330.

20 (D) Section 6603(d)(3)(B).

21 (E) Section 6621(c)(2)(A)(i).

22 (F) Section 7122(e)(2).

23 (G) Subsections (a), (b)(1), (b)(2), and
24 (c)(1) of section 7123.

1 (H) Subsections (c)(7)(B)(i), and (g)(2)(A)
2 of section 7430.

3 (I) Section 7522(b)(3).

4 (J) Section 7612(c)(2)(A).

5 (2) Section 7430(c)(2) is amended by striking
6 “Internal Revenue Service Office of Appeals” each
7 place it appears and inserting “Internal Revenue
8 Service Independent Office of Appeals”.

9 (3) The heading of section 6330(d)(3) is
10 amended by inserting “INDEPENDENT” after “IRS”.

11 (c) OTHER REFERENCES.—Any reference in any pro-
12 vision of law, or regulation or other guidance, to the Inter-
13 nal Revenue Service Office of Appeals shall be treated as
14 a reference to the Internal Revenue Service Independent
15 Office of Appeals.

16 (d) SAVINGS PROVISIONS.—Rules similar to the rules
17 of paragraphs (2) through (6) of section 1001(b) of the
18 Internal Revenue Service Restructuring and Reform Act
19 of 1998 shall apply for purposes of this section (and the
20 amendments made by this section).

21 (e) EFFECTIVE DATE.—

22 (1) IN GENERAL.—Except as otherwise pro-
23 vided in this subsection, the amendments made by
24 this section shall take effect on the date of the en-
25 actment of this Act.

1 (2) ACCESS TO CASE FILES.—Section
2 7803(e)(7) of the Internal Revenue Code of 1986, as
3 added by subsection (a), shall apply to conferences
4 occurring after the date which is 1 year after the
5 date of the enactment of this Act.

6 **Subtitle B—Improved Service**

7 **SEC. 1101. COMPREHENSIVE CUSTOMER SERVICE STRAT-** 8 **EGY.**

9 (a) IN GENERAL.—Not later than the date which is
10 1 year after the date of the enactment of this Act, the
11 Secretary of the Treasury shall submit to Congress a writ-
12 ten comprehensive customer service strategy for the Inter-
13 nal Revenue Service. Such strategy shall include—

14 (1) a plan to provide assistance to taxpayers
15 that is secure, designed to meet reasonable taxpayer
16 expectations, and adopts appropriate best practices
17 of customer service provided in the private sector,
18 including online services, telephone call back serv-
19 ices, and training of employees providing customer
20 services,

21 (2) a thorough assessment of the services that
22 the Internal Revenue Service can co-locate with
23 other Federal services or offer as self-service op-
24 tions,

1 (3) proposals to improve Internal Revenue Serv-
2 ice customer service in the short term (the current
3 and following fiscal year), medium term (approx-
4 imately 3 to 5 fiscal years), and long term (approx-
5 imately 10 fiscal years),

6 (4) a plan to update guidance and training ma-
7 terials for customer service employees of the Internal
8 Revenue Service, including the Internal Revenue
9 Manual, to reflect such strategy, and

10 (5) identified metrics and benchmarks for quan-
11 titatively measuring the progress of the Internal
12 Revenue Service in implementing such strategy.

13 (b) **UPDATED GUIDANCE AND TRAINING MATE-**
14 **RIALS.**—Not later than 2 years after the date of the enact-
15 ment of this Act, the Secretary of the Treasury (or the
16 Secretary’s delegate) shall make available the updated
17 guidance and training materials described in subsection
18 (a)(4) (including the Internal Revenue Manual). Such up-
19 dated guidance and training materials (including the In-
20 ternal Revenue Manual) shall be written in a manner so
21 as to be easily understood by customer service employees
22 of the Internal Revenue Service and shall provide clear
23 instructions.

24 **SEC. 1102. IRS FREE FILE PROGRAM.**

25 (a) **IN GENERAL.**—

1 (1) The Secretary of the Treasury, or the Sec-
2 retary's delegate, shall continue to operate the IRS
3 Free File Program as established by the Internal
4 Revenue Service and published in the Federal Reg-
5 ister on November 4, 2002 (67 Fed. Reg. 67247),
6 including any subsequent agreements and governing
7 rules established pursuant thereto.

8 (2) The IRS Free File Program shall continue
9 to provide free commercial-type online individual in-
10 come tax preparation and electronic filing services to
11 the lowest 70 percent of taxpayers by adjusted gross
12 income. The number of taxpayers eligible to receive
13 such services each year shall be calculated by the In-
14 ternal Revenue Service annually based on prior year
15 aggregate taxpayer adjusted gross income data.

16 (3) In addition to the services described in
17 paragraph (2), and in the same manner, the IRS
18 Free File Program shall continue to make available
19 to all taxpayers (without regard to income) a basic,
20 online electronic fillable forms utility.

21 (4) The IRS Free File Program shall continue
22 to work cooperatively with the private sector to pro-
23 vide the free individual income tax preparation and
24 the electronic filing services described in paragraphs
25 (2) and (3).

1 (5) The IRS Free File Program shall work co-
2 operatively with State government agencies to en-
3 hance and expand the use of the program to provide
4 needed benefits to the taxpayer while reducing the
5 cost of processing returns.

6 (b) INNOVATIONS.—The Secretary of the Treasury,
7 or the Secretary’s delegate, shall work with the private
8 sector through the IRS Free File Program to identify and
9 implement, consistent with applicable law, innovative new
10 program features to improve and simplify the taxpayer’s
11 experience with completing and filing individual income
12 tax returns through voluntary compliance.

13 **SEC. 1103. LOW-INCOME EXCEPTION FOR PAYMENTS OTH-**
14 **ERWISE REQUIRED IN CONNECTION WITH A**
15 **SUBMISSION OF AN OFFER-IN-COMPROMISE.**

16 (a) IN GENERAL.—Section 7122(e) is amended by
17 adding at the end the following new paragraph:

18 “(3) EXCEPTION FOR LOW-INCOME TAX-
19 PAYERS.—Paragraph (1), and any user fee otherwise
20 required in connection with the submission of an
21 offer-in-compromise, shall not apply to any offer-in-
22 compromise with respect to a taxpayer who is an in-
23 dividual with adjusted gross income, as determined
24 for the most recent taxable year for which such in-
25 formation is available, which does not exceed 250

1 percent of the applicable poverty level (as deter-
2 mined by the Secretary).”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to offers-in-compromise submitted
5 after the date of the enactment of this Act.

6 **Subtitle C—Sensible Enforcement**

7 **SEC. 1201. INTERNAL REVENUE SERVICE SEIZURE RE-** 8 **QUIREMENTS WITH RESPECT TO STRUC-** 9 **TURING TRANSACTIONS.**

10 Section 5317(c)(2) of title 31, United States Code,
11 is amended—

12 (1) by striking “Any property” and inserting
13 the following:

14 “(A) **IN GENERAL.**—Any property”; and

15 (2) by adding at the end the following:

16 “(B) **INTERNAL REVENUE SERVICE SEI-**
17 **ZURE REQUIREMENTS WITH RESPECT TO**
18 **STRUCTURING TRANSACTIONS.**—

19 “(i) **PROPERTY DERIVED FROM AN IL-**
20 **LEGAL SOURCE.**—Property may only be
21 seized by the Internal Revenue Service
22 pursuant to subparagraph (A) by reason of
23 a claimed violation of section 5324 if the
24 property to be seized was derived from an
25 illegal source or the funds were structured

1 for the purpose of concealing the violation
2 of a criminal law or regulation other than
3 section 5324.

4 “(ii) NOTICE.—Not later than 30
5 days after property is seized by the Inter-
6 nal Revenue Service pursuant to subpara-
7 graph (A), the Internal Revenue Service
8 shall—

9 “(I) make a good faith effort to
10 find all persons with an ownership in-
11 terest in such property; and

12 “(II) provide each such person so
13 found with a notice of the seizure and
14 of the person’s rights under clause
15 (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 ex-
20 tension of the notice requirement under
21 clause (ii) if the Internal Revenue Service
22 can establish probable cause of an immi-
23 nent threat to national security or personal
24 safety 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 jurisdic-
6 tion within 30 days after the date on which
7 notice is provided under subclause (ii),
8 such property shall be returned unless the
9 court holds an adversarial hearing and
10 finds within 30 days of such request (or
11 such longer period as the court may pro-
12 vide, but only on request of an interested
13 party) that there is probable cause to be-
14 lieve that there is a violation of section
15 5324 involving such property and probable
16 cause to believe that the property to be
17 seized was derived from an illegal source or
18 the funds were structured for the purpose
19 of concealing the violation of a criminal
20 law or regulation other than section
21 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 chap-
6 ter 1 is amended by inserting before section 140 the fol-
7 lowing 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
19 for part III of subchapter B of chapter 1 is amended by
20 inserting before the item relating to section 140 the fol-
21 lowing new item:

“Sec. 139H. Interest received in action to recover property seized by the Inter-
nal Revenue Service based on structuring transaction.”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to interest received on or after the
24 date 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 fol-
15 lows:

16 “(f) EQUITABLE RELIEF.—

17 “(1) IN GENERAL.—Under procedures pre-
18 scribed by the Secretary, if—

19 “(A) taking into account all the facts and
20 circumstances, it is inequitable to hold the indi-
21 vidual liable for any unpaid tax or any defi-
22 ciency (or any portion of either), and

23 “(B) relief is not available to such indi-
24 vidual under subsection (b) or (c),

25 the Secretary may relieve such individual of such li-
26 ability.

1 “(2) LIMITATION.—A request for equitable re-
2 lief under this subsection may be made with respect
3 to 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
10 individual could submit a timely claim for re-
11 fund or credit of such payment.”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to petitions or requests filed or
14 pending 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
18 adding 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
21 be obtained is narrowly tailored to information that per-
22 tains to the failure (or potential failure) of the person or
23 group or class of persons referred to in paragraph (2) to
24 comply with one or more provisions of the internal revenue

1 law which have been identified for purposes of such para-
2 graph.”.

3 (b) **EFFECTIVE DATE.**—The amendments made by
4 this section shall apply to summonses served after the date
5 of 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.**—
10 Section 6306(d)(3) is amended by striking “or” at the end
11 of subparagraph (C) and by inserting after subparagraph
12 (D) 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
17 title XVI of the Social Security Act (including
18 supplemental security income benefits of the
19 type described in section 1616 of such Act or
20 section 212 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 infor-
24 mation is available, which does not exceed 200

1 percent of the applicable poverty level (as deter-
2 mined by the Secretary).”.

3 (b) DETERMINATION OF INACTIVE TAX RECEIV-
4 ABLES ELIGIBLE FOR COLLECTION UNDER TAX COLLEC-
5 TION CONTRACTS.—Section 6306(c)(2)(A)(ii) is amended
6 by striking “more than $\frac{1}{3}$ of the period of the applicable
7 statute of limitation has lapsed” and inserting “more than
8 2 years has passed since assessment”.

9 (c) MAXIMUM LENGTH OF INSTALLMENT AGREE-
10 MENTS OFFERED UNDER TAX COLLECTION CON-
11 TRACTS.—Section 6306(b)(1)(B) is amended by striking
12 “5 years” and inserting “7 years”.

13 (d) CLARIFICATION THAT SPECIAL COMPLIANCE
14 PERSONNEL PROGRAM ACCOUNT MAY BE USED FOR
15 PROGRAM COSTS.—

16 (1) IN GENERAL.—Section 6307(b) is amend-
17 ed—

18 (A) in paragraph (2), by striking all that
19 follows “under such program” and inserting a
20 period, and

21 (B) in paragraph (3), by striking all that
22 follows “out of such account” and inserting
23 “for other than program costs”.

24 (2) COMMUNICATIONS, SOFTWARE, AND TECH-
25 NOLOGY COSTS TREATED AS PROGRAM COSTS.—Sec-

1 tion 6307(d)(2)(B) is amended by striking “tele-
2 communications” and inserting “communications,
3 software, technology”.

4 (3) CONFORMING AMENDMENT.—Section
5 6307(d)(2) is amended by striking “and” at the end
6 of subparagraph (A), by striking the period at the
7 end of subparagraph (B) and inserting “, and”, and
8 by inserting after subparagraph (B) the following
9 new subparagraph:

10 “(C) reimbursement of the Internal Rev-
11 enue Service or other government agencies for
12 the cost of administering the qualified tax col-
13 lection program under section 6306.”.

14 (e) EFFECTIVE DATES.—

15 (1) IN GENERAL.—Except as otherwise pro-
16 vided in this subsection, the amendments made by
17 this section shall apply to tax receivables identified
18 by the Secretary (or the Secretary’s delegate) after
19 December 31, 2019.

20 (2) MAXIMUM LENGTH OF INSTALLMENT
21 AGREEMENTS.—The amendment made by subsection
22 (c) shall apply to contracts entered into after the
23 date of the enactment of this Act.

24 (3) USE OF SPECIAL COMPLIANCE PERSONNEL
25 PROGRAM ACCOUNT.—The amendment made by sub-

1 section (d) shall apply to amounts expended from
2 the special compliance personnel program account
3 after the date of the enactment of this Act.

4 **SEC. 1206. REFORM OF NOTICE OF CONTACT OF THIRD**
5 **PARTIES.**

6 (a) IN GENERAL.—Section 7602(c)(1) is amended to
7 read as follows:

8 “(1) GENERAL NOTICE.—An officer or em-
9 ployee of the Internal Revenue Service may not con-
10 tact any person other than the taxpayer with respect
11 to the determination or collection of the tax liability
12 of such taxpayer unless such contact occurs during
13 a period (not greater than 1 year) which is specified
14 in a notice which—

15 “(A) informs the taxpayer that contacts
16 with persons other than the taxpayer are in-
17 tended to be made during such period, and

18 “(B) except as otherwise provided by the
19 Secretary, is provided to the taxpayer not later
20 than 45 days before the beginning of such pe-
21 riod.

22 Nothing in the preceding sentence shall prevent the
23 issuance of notices to the same taxpayer with respect
24 to the same tax liability with periods specified there-
25 in that, in the aggregate, exceed 1 year. A notice

1 shall not be issued under this paragraph unless
2 there is an intent at the time such notice is issued
3 to contact persons other than the taxpayer during
4 the period specified in such notice. The preceding
5 sentence shall not prevent the issuance of a notice
6 if the requirement of such sentence is met on the
7 basis of the assumption that the information sought
8 to be obtained by such contact will not be obtained
9 by other means before such contact.”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 this section shall apply to notices provided, and contacts
12 of persons made, after the date which is 45 days after
13 the date of the enactment of this Act.

14 **SEC. 1207. MODIFICATION OF AUTHORITY TO ISSUE DES-**
15 **IGNATED SUMMONS.**

16 (a) IN GENERAL.—Paragraph (1) of section 6503(j)
17 is amended by striking “coordinated examination pro-
18 gram” and inserting “coordinated industry case pro-
19 gram”.

20 (b) REQUIREMENTS FOR SUMMONS.—Clause (i) of
21 section 6503(j)(2)(A) is amended to read as follows:

22 “(i) the issuance of such summons is
23 preceded by a review and written approval
24 of such issuance by the Commissioner of
25 the relevant operating division of the Inter-

1 nal Revenue Service and the Chief Counsel
2 which—

3 “(I) states facts clearly estab-
4 lishing that the Secretary has made
5 reasonable requests for the informa-
6 tion that is the subject of the sum-
7 mons, and

8 “(II) is attached to such sum-
9 mons,”.

10 (c) **ESTABLISHMENT THAT REASONABLE REQUESTS**
11 **FOR INFORMATION WERE MADE.**—Subsection (j) of sec-
12 tion 6503 is amended by adding at the end the following
13 new paragraph:

14 “(4) **ESTABLISHMENT THAT REASONABLE RE-**
15 **QUESTS FOR INFORMATION WERE MADE.**—In any
16 court proceeding described in paragraph (3), the
17 Secretary shall establish that reasonable requests
18 were made for the information that is the subject of
19 the summons.”.

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

1 **SEC. 1208. LIMITATION ON ACCESS OF NON-INTERNAL REV-**
2 **ENUE SERVICE EMPLOYEES TO RETURNS**
3 **AND RETURN INFORMATION.**

4 (a) IN GENERAL.—Section 7602 is amended by add-
5 ing at the end the following new subsection:

6 “(f) LIMITATION ON ACCESS OF PERSONS OTHER
7 THAN INTERNAL REVENUE SERVICE OFFICERS AND EM-
8 PLOYEES.—The Secretary shall not, under the authority
9 of section 6103(n), provide any books, papers, records, or
10 other data obtained pursuant to this section to any person
11 authorized under section 6103(n), except when such per-
12 son requires such information for the sole purpose of pro-
13 viding expert evaluation and assistance to the Internal
14 Revenue Service. No person other than an officer or em-
15 ployee of the Internal Revenue Service or the Office of
16 Chief Counsel may, on behalf of the Secretary, question
17 a witness under oath whose testimony was obtained pursu-
18 ant to this section.”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section—

21 (1) shall take effect on the date of the enact-
22 ment of this Act, and

23 (2) shall not fail to apply to a contract in effect
24 under section 6103(n) of the Internal Revenue Code
25 of 1986 merely because such contract was in effect
26 before 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
9 the case of any Taxpayer Advocate Directive issued
10 by the National Taxpayer Advocate pursuant to a
11 delegation of authority from the Commissioner of
12 the Internal 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

1 Taxpayer Advocate with a detailed description
2 of the reasons for any modification or rescission
3 made or upheld by the Commissioner pursuant
4 to such appeal.”.

5 (2) REPORT TO CERTAIN COMMITTEES OF CON-
6 GRESS REGARDING DIRECTIVES.—Section
7 7803(c)(2)(B)(ii) is amended by redesignating sub-
8 clauses (VIII) through (XI) as subclauses (IX)
9 through (XII), respectively, and by inserting after
10 subclause (VII) the following new subclause:

11 “(VIII) identify any Taxpayer
12 Advocate Directive which was not
13 honored by the Internal Revenue
14 Service in a timely manner, as speci-
15 fied under paragraph (5);”.

16 (b) NATIONAL TAXPAYER ADVOCATE ANNUAL RE-
17 PORTS TO CONGRESS.—

18 (1) INCLUSION OF MOST SERIOUS TAXPAYER
19 PROBLEMS.—Section 7803(c)(2)(B)(ii)(III) is
20 amended by striking “at least 20 of the” and insert-
21 ing “the 10”.

22 (2) COORDINATION WITH TREASURY INSPECTOR
23 GENERAL FOR TAX ADMINISTRATION.—Section
24 7803(c)(2) is amended by adding at the end the fol-
25 lowing new subparagraph:

1 “(E) COORDINATION WITH TREASURY IN-
2 SPECTOR GENERAL FOR TAX ADMINISTRA-
3 TION.—Before beginning any research or study,
4 the National Taxpayer Advocate shall coordi-
5 nate with the Treasury Inspector General for
6 Tax Administration to ensure that the National
7 Taxpayer Advocate does not duplicate any ac-
8 tion that the Treasury Inspector General for
9 Tax Administration has already undertaken or
10 has a plan to undertake.”.

11 (3) STATISTICAL SUPPORT.—

12 (A) IN GENERAL.—Section 6108 is amend-
13 ed by adding at the end the following new sub-
14 section:

15 “(d) STATISTICAL SUPPORT FOR NATIONAL TAX-
16 PAYER ADVOCATE.—The Secretary shall, upon request of
17 the National Taxpayer Advocate, provide the National
18 Taxpayer Advocate with statistical support in connection
19 with the preparation by the National Taxpayer Advocate
20 of the annual report described in section
21 7803(c)(2)(B)(ii). Such statistical support shall include
22 statistical studies, compilations, and the review of infor-
23 mation provided by the National Taxpayer Advocate for
24 statistical validity and sound statistical methodology.”.

1 (B) DISCLOSURE OF REVIEW.—Section
2 7803(c)(2)(B)(ii), as amended by subsection
3 (a), is amended by redesignating subclause
4 (XII) as subclause (XIII) and by inserting after
5 subclause (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
13 such information to be statistically
14 valid and based on sound statistical
15 methodology.”.

16 (C) CONFORMING AMENDMENT.—Section
17 7803(c)(2)(B)(iii) is amended by adding at the
18 end the following: “The preceding sentence
19 shall not apply with respect to statistical infor-
20 mation provided to the Secretary for review, or
21 received from the Secretary, under section
22 6108(d).”.

23 (c) SALARY OF NATIONAL TAXPAYER ADVOCATE.—
24 Section 7803(c)(1)(B)(i) is amended by striking “, or, if

1 the Secretary of the Treasury so determines, at a rate
2 fixed under section 9503 of such title”.

3 (d) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as otherwise pro-
5 vided in this subsection, the amendments made by
6 this section shall take effect on the date of the en-
7 actment of this Act.

8 (2) SALARY OF NATIONAL TAXPAYER ADVO-
9 CATE.—The amendment made by subsection (c)
10 shall apply to compensation paid to individuals ap-
11 pointed as the National Taxpayer Advocate after the
12 date of the enactment of this Act.

13 **SEC. 1302. MODERNIZATION OF INTERNAL REVENUE SERV-**
14 **ICE ORGANIZATIONAL STRUCTURE.**

15 (a) IN GENERAL.—Not later than September 30,
16 2020, the Commissioner of the Internal Revenue Service
17 shall submit to Congress a comprehensive written plan to
18 redesign the organization of the Internal Revenue Service.

19 Such plan shall—

20 (1) ensure the successful implementation of the
21 priorities specified by Congress in this Act,

22 (2) prioritize taxpayer services to ensure that
23 all taxpayers easily and readily receive the assistance
24 that they need,

1 (3) streamline the structure of the agency in-
2 cluding minimizing the duplication of services and
3 responsibilities within the agency,

4 (4) best position the Internal Revenue Service
5 to combat cybersecurity and other threats to the In-
6 ternal Revenue Service, and

7 (5) address whether the Criminal Investigation
8 Division of the Internal Revenue Service should re-
9 port directly to the Commissioner.

10 (b) REPEAL OF RESTRICTION ON ORGANIZATIONAL
11 STRUCTURE OF INTERNAL REVENUE SERVICE.—Para-
12 graph (3) of section 1001(a) of the Internal Revenue Serv-
13 ice Restructuring and Reform Act of 1998 shall cease to
14 apply beginning 1 year after the date on which the Com-
15 missioner of the Internal Revenue Service submits to Con-
16 gress the plan described in subsection (a).

17 **Subtitle E—Other Provisions**

18 **SEC. 1401. RETURN PREPARATION PROGRAMS FOR APPLI-** 19 **CABLE TAXPAYERS.**

20 (a) IN GENERAL.—Chapter 77 is amended by insert-
21 ing after section 7526 the following new section:

22 **“SEC. 7526A. RETURN PREPARATION PROGRAMS FOR AP-** 23 **PLICABLE TAXPAYERS.**

24 “(a) ESTABLISHMENT OF VOLUNTEER INCOME TAX
25 ASSISTANCE MATCHING GRANT PROGRAM.—The Sec-

1 retary shall establish a Community Volunteer Income Tax
2 Assistance Matching Grant Program under which the Sec-
3 retary may, subject to the availability of appropriated
4 funds, make grants to provide matching funds for the de-
5 velopment, expansion, or continuation of qualified return
6 preparation programs assisting applicable taxpayers and
7 members of underserved populations.

8 “(b) USE OF FUNDS.—

9 “(1) IN GENERAL.—Qualified return prepara-
10 tion programs may use grants received under this
11 section for—

12 “(A) ordinary and necessary costs associ-
13 ated with program operation in accordance with
14 cost principles under the applicable Office of
15 Management and Budget circular, including—

16 “(i) wages or salaries of persons co-
17 ordinating the activities of the program,

18 “(ii) developing training materials,
19 conducting training, and performing qual-
20 ity reviews of the returns prepared under
21 the program,

22 “(iii) equipment purchases, and

23 “(iv) vehicle-related expenses associ-
24 ated with remote or rural tax preparation
25 services,

1 “(B) outreach and educational activities
2 described in subsection (c)(2)(B), and

3 “(C) services related to financial education
4 and capability, asset development, and the es-
5 tablishment of savings accounts in connection
6 with tax return preparation.

7 “(2) REQUIREMENT OF MATCHING FUNDS.—A
8 qualified return preparation program must provide
9 matching funds on a dollar-for-dollar basis for all
10 grants provided under this section. Matching funds
11 may include—

12 “(A) the salary (including fringe benefits)
13 of individuals performing services for the pro-
14 gram,

15 “(B) the cost of equipment used in the
16 program, and

17 “(C) other ordinary and necessary costs
18 associated with the program.

19 Indirect expenses, including general overhead of any
20 entity administering the program, shall not be
21 counted as matching funds.

22 “(c) APPLICATION.—

23 “(1) IN GENERAL.—Each applicant for a grant
24 under this section shall submit an application to the
25 Secretary at such time, in such manner, and con-

1 taining such information as the Secretary may rea-
2 sonably require.

3 “(2) PRIORITY.—In awarding grants under this
4 section, the Secretary shall give priority to applica-
5 tions which demonstrate—

6 “(A) assistance to applicable taxpayers,
7 with emphasis on outreach to, and services for,
8 such taxpayers,

9 “(B) taxpayer outreach and educational
10 activities relating to eligibility and availability
11 of income supports available through this title,
12 including the earned income tax credit, and

13 “(C) specific outreach and focus on one or
14 more underserved populations.

15 “(3) AMOUNTS TAKEN INTO ACCOUNT.—In de-
16 termining matching grants under this section, the
17 Secretary shall only take into account amounts pro-
18 vided by the qualified return preparation program
19 for expenses described in subsection (b).

20 “(d) PROGRAM ADHERENCE.—

21 “(1) IN GENERAL.—The Secretary shall estab-
22 lish procedures for, and shall conduct not less fre-
23 quently than once every 5 calendar years during
24 which a qualified return preparation program is op-

1 erating under a grant under this section, periodic
2 site visits—

3 “(A) to ensure the program is carrying out
4 the purposes of this section, and

5 “(B) to determine whether the program
6 meets such program adherence standards as the
7 Secretary shall by regulation or other guidance
8 prescribe.

9 “(2) ADDITIONAL REQUIREMENTS FOR GRANT
10 RECIPIENTS NOT MEETING PROGRAM ADHERENCE
11 STANDARDS.—In the case of any qualified return
12 preparation program which—

13 “(A) is awarded a grant under this section,
14 and

15 “(B) is subsequently determined—

16 “(i) not to meet the program adher-
17 ence standards described in paragraph
18 (1)(B), or

19 “(ii) not to be otherwise carrying out
20 the purposes of this section,

21 such program shall not be eligible for any additional
22 grants under this section unless such program pro-
23 vides sufficient documentation of corrective meas-
24 ures established to address any such deficiencies de-
25 termined.

1 “(e) DEFINITIONS.—For purposes of this section—

2 “(1) QUALIFIED RETURN PREPARATION PRO-
3 GRAM.—The term ‘qualified return preparation pro-
4 gram’ means any program—

5 “(A) which provides assistance to individ-
6 uals, not less than 90 percent of whom are ap-
7 plicable taxpayers, in preparing and filing Fed-
8 eral income tax returns,

9 “(B) which is administered by a qualified
10 entity,

11 “(C) in which all volunteers who assist in
12 the preparation of Federal income tax returns
13 meet the training requirements prescribed by
14 the Secretary, and

15 “(D) which uses a quality review process
16 which reviews 100 percent of all returns.

17 “(2) QUALIFIED ENTITY.—

18 “(A) IN GENERAL.—The term ‘qualified
19 entity’ means any entity which—

20 “(i) is an eligible organization,

21 “(ii) is in compliance with Federal tax
22 filing and payment requirements,

23 “(iii) is not debarred or suspended
24 from Federal contracts, grants, or coopera-
25 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 en-
12 actment of this section, and which has not
13 been disqualified from participating in a
14 program under title IV of such Act,

15 “(ii) an organization described in sec-
16 tion 501(c) and exempt from tax under
17 section 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 igned 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 en-
6 tity,

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 tax-
13 payers and members of underserved popu-
14 lations with respect to which no organiza-
15 tions described in the preceding clauses are
16 available—

17 “(I) a State government agency,
18 or

19 “(II) an office providing Cooper-
20 ative Extension services (as estab-
21 lished at the land-grant colleges and
22 universities under the Smith-Lever
23 Act of May 8, 1914).

24 “(3) APPLICABLE TAXPAYERS.—The term ‘ap-
25 plicable taxpayer’ means a taxpayer whose income

1 for the taxable year does not exceed an amount
2 equal to the completed phaseout amount under sec-
3 tion 32(b) for a married couple filing a joint return
4 with three or more qualifying children, as deter-
5 mined in a revenue procedure or other published
6 guidance.

7 “(4) UNDERSERVED POPULATION.—The term
8 ‘underserved population’ includes populations of per-
9 sons with disabilities, persons with limited English
10 proficiency, Native Americans, individuals living in
11 rural areas, members of the Armed Forces and their
12 spouses, and the elderly.

13 “(f) SPECIAL RULES AND LIMITATIONS.—

14 “(1) DURATION OF GRANTS.—Upon application
15 of a qualified return preparation program, the Sec-
16 retary is authorized to award a multi-year grant not
17 to exceed 3 years.

18 “(2) AGGREGATE LIMITATION.—Unless other-
19 wise provided by specific appropriation, the Sec-
20 retary shall not allocate more than \$30,000,000 per
21 fiscal year (exclusive of costs of administering the
22 program) to grants under this section.

23 “(g) PROMOTION OF PROGRAMS.—

24 “(1) IN GENERAL.—The Secretary shall pro-
25 mote tax preparation through qualified return prepa-

1 ration programs through the use of mass commu-
2 nications 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,
11 to—

12 “(A) advise taxpayers of the availability of,
13 and eligibility requirements for receiving, advice
14 and assistance from qualified low-income tax-
15 payer clinics receiving funding under section
16 7526, and

17 “(B) provide information regarding the lo-
18 cation of, and contact information for, such
19 clinics.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 77 is amended by inserting after the item re-
22 lating 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
17 clinics.”.

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

21 **SEC. 1403. NOTICE FROM IRS REGARDING CLOSURE OF**
22 **TAXPAYER ASSISTANCE CENTERS.**

23 Not later than 90 days before the date that a pro-
24 posed closure of a Taxpayer Assistance Center would take
25 effect, the Secretary of the Treasury (or the Secretary’s
26 delegate) shall—

1 (1) make publicly available (including by non-
2 electronic means) a notice which—

3 (A) identifies the Taxpayer Assistance
4 Center proposed for closure and the date of
5 such proposed closure, and

6 (B) identifies the relevant alternative
7 sources of taxpayer assistance which may be
8 utilized by taxpayers affected by such proposed
9 closure, 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 Sec-
17 retary 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
23 greatly reduced in price or value by keeping, or that such
24 property cannot be kept without great expense”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to property seized after the date
3 of the 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
11 disclose, to any individual providing information
12 relating to any purpose described in paragraph
13 (1) or (2) of section 7623(a), return informa-
14 tion related to the investigation of any taxpayer
15 with respect to whom the individual has pro-
16 vided such information, but only to the extent
17 that such disclosure is necessary in obtaining
18 information, which is not otherwise reasonably
19 available, with respect to the correct determina-
20 tion of tax liability for tax, or the amount to be
21 collected with respect to the enforcement of any
22 other provision of this title.

23 “(B) UPDATES ON WHISTLEBLOWER IN-
24 VESTIGATIONS.—The Secretary shall disclose to
25 an 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
4 case for which the individual has provided
5 information has been referred for an audit
6 or examination, a notice with respect to
7 such referral.

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
15 and conditions as are prescribed by the
16 Secretary, upon a written request by such
17 individual—

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
23 under section 7623(b), the reasons for
24 such determination.

1 Clause (iii) shall not apply to any information
2 if the Secretary determines that disclosure of
3 such information would seriously impair Fed-
4 eral tax administration. Information described
5 in clauses (i), (ii), and (iii) may be disclosed to
6 a designee of the individual providing such in-
7 formation in accordance with guidance provided
8 by the Secretary.”.

9 (2) CONFORMING AMENDMENTS.—

10 (A) CONFIDENTIALITY OF INFORMA-
11 TION.—Section 6103(a)(3) is amended by strik-
12 ing “subsection (k)(10)” and inserting “para-
13 graph (10) or (13) of subsection (k)”.

14 (B) PENALTY FOR UNAUTHORIZED DIS-
15 CLOSURE.—Section 7213(a)(2) is amended by
16 striking “(k)(10)” and inserting “(k)(10) or
17 (13)”.

18 (C) COORDINATION WITH AUTHORITY TO
19 DISCLOSE FOR INVESTIGATIVE PURPOSES.—
20 Section 6103(k)(6) is amended by adding at the
21 end the following new sentence: “This para-
22 graph shall not apply to any disclosure to an in-
23 dividual providing information relating to any
24 purpose described in paragraph (1) or (2) of

1 section 7623(a) which is made under paragraph
2 (13)(A).”.

3 (b) PROTECTION AGAINST RETALIATION.—Section
4 7623 is amended by adding at the end the following new
5 subsection:

6 “(d) CIVIL ACTION TO PROTECT AGAINST RETALIA-
7 TION CASES.—

8 “(1) ANTI-RETALIATION WHISTLEBLOWER PRO-
9 TECTION FOR EMPLOYEES.—No employer, or any of-
10 ficer, employee, contractor, subcontractor, or agent
11 of such employer, may discharge, demote, suspend,
12 threaten, harass, or in any other manner discrimi-
13 nate against an employee in the terms and condi-
14 tions of employment (including through an act in the
15 ordinary course of such employee’s duties) in re-
16 prisal for any lawful act done by the employee—

17 “(A) to provide information, cause infor-
18 mation to be provided, or otherwise assist in an
19 investigation regarding underpayment of tax or
20 any conduct which the employee reasonably be-
21 lieves constitutes a violation of the internal rev-
22 enue laws or any provision of Federal law relat-
23 ing to tax fraud, when the information or as-
24 sistance is provided to the Internal Revenue
25 Service, the Secretary of Treasury, the Treas-

1 ury Inspector General for Tax Administration,
2 the Comptroller General of the United States,
3 the Department of Justice, the United States
4 Congress, a person with supervisory authority
5 over the employee, or any other person working
6 for the employer who has the authority to inves-
7 tigate, discover, or terminate misconduct, or

8 “(B) to testify, participate in, or otherwise
9 assist in any administrative or judicial action
10 taken by the Internal Revenue Service relating
11 to an alleged underpayment of tax or any viola-
12 tion of the internal revenue laws or any provi-
13 sion of Federal law relating to tax fraud.

14 “(2) ENFORCEMENT ACTION.—

15 “(A) IN GENERAL.—A person who alleges
16 discharge or other reprisal by any person in vio-
17 lation of paragraph (1) may seek relief under
18 paragraph (3) by—

19 “(i) filing a complaint with the Sec-
20 retary of Labor, or

21 “(ii) if the Secretary of Labor has not
22 issued a final decision within 180 days of
23 the filing of the complaint and there is no
24 showing that such delay is due to the bad
25 faith of the claimant, bringing an action at

1 law or equity for de novo review in the ap-
2 propriate district court of the United
3 States, which shall have jurisdiction over
4 such an action without regard to the
5 amount in controversy.

6 “(B) PROCEDURE.—

7 “(i) IN GENERAL.—An action under
8 subparagraph (A)(i) shall be governed
9 under the rules and procedures set forth in
10 section 42121(b) of title 49, United States
11 Code.

12 “(ii) EXCEPTION.—Notification made
13 under section 42121(b)(1) of title 49,
14 United States Code, shall be made to the
15 person named in the complaint and to the
16 employer.

17 “(iii) BURDENS OF PROOF.—An ac-
18 tion brought under subparagraph (A)(ii)
19 shall be governed by the legal burdens of
20 proof set forth in section 42121(b) of title
21 49, United States Code, except that in ap-
22 plying such section—

23 “(I) ‘behavior described in para-
24 graph (1)’ shall be substituted for ‘be-
25 havior described in paragraphs (1)

1 through (4) of subsection (a)' each
2 place it appears in paragraph (2)(B)
3 thereof, and

4 “(II) ‘a violation of paragraph
5 (1)’ shall be substituted for ‘a viola-
6 tion of subsection (a)’ each place it
7 appears.

8 “(iv) STATUTE OF LIMITATIONS.—A
9 complaint under subparagraph (A)(i) shall
10 be filed not later than 180 days after the
11 date on which the violation occurs.

12 “(v) JURY TRIAL.—A party to an ac-
13 tion brought under subparagraph (A)(ii)
14 shall be entitled to trial by jury.

15 “(3) REMEDIES.—

16 “(A) IN GENERAL.—An employee pre-
17 vailing in any action under paragraph (2)(A)
18 shall be entitled to all relief necessary to make
19 the employee whole.

20 “(B) COMPENSATORY DAMAGES.—Relief
21 for any action under subparagraph (A) shall in-
22 clude—

23 “(i) reinstatement with the same se-
24 niority status that the employee would
25 have 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.—Noth-
9 ing in this section shall be deemed to diminish the
10 rights, privileges, or remedies of any employee under
11 any Federal or State law, or under any collective
12 bargaining agreement.

13 “(5) NONENFORCEABILITY OF CERTAIN PROVI-
14 SIONS WAIVING RIGHTS AND REMEDIES OR REQUIR-
15 ING ARBITRATION OF DISPUTES.—

16 “(A) WAIVER OF RIGHTS AND REM-
17 EDIES.—The rights and remedies provided for
18 in this subsection may not be waived by any
19 agreement, policy form, or condition of employ-
20 ment, including by a predispute arbitration
21 agreement.

22 “(B) PREDISPUTE ARBITRATION AGREE-
23 MENTS.—No predispute arbitration agreement
24 shall be valid or enforceable, if the agreement

1 requires arbitration of a dispute arising under
2 this subsection.”.

3 (c) EFFECTIVE DATE.—

4 (1) IN GENERAL.—The amendments made by
5 subsection (a) shall apply to disclosures made after
6 the date of the enactment of this Act.

7 (2) CIVIL PROTECTION.—The amendment made
8 by subsection (b) shall take effect on the date of the
9 enactment of this Act.

10 **SEC. 1406. CUSTOMER SERVICE INFORMATION.**

11 The Secretary of the Treasury (or the Secretary’s
12 delegate) shall provide helpful information to taxpayers
13 placed on hold during a telephone call to any Internal Rev-
14 enue Service help line, including the following:

15 (1) Information about common tax scams.

16 (2) Information on where and how to report tax
17 scams.

18 (3) Additional advice on how taxpayers can pro-
19 tect themselves from identity theft and tax scams.

20 **SEC. 1407. MISDIRECTED TAX REFUND DEPOSITS.**

21 Section 6402 is amended by adding at the end the
22 following new subsection:

23 “(n) MISDIRECTED DIRECT DEPOSIT REFUND.—Not
24 later than the date which is 6 month after the date of
25 the enactment of the Taxpayer First Act of 2018, the Sec-

1 retary shall prescribe regulations to establish procedures
2 to allow for—

3 “(1) taxpayers to report instances in which a
4 refund made by the Secretary by electronic funds
5 transfer was erroneously delivered to an account at
6 a financial institution for which the taxpayer is not
7 the owner;

8 “(2) coordination with financial institutions for
9 the purpose of—

10 “(A) identifying erroneous payments de-
11 scribed in paragraph (1); and

12 “(B) recovery of the erroneously trans-
13 ferred amounts; and

14 “(3) the refund to be delivered to the correct
15 account of the taxpayer.”.

16 **TITLE II—21ST CENTURY IRS**
17 **Subtitle A—Cybersecurity and**
18 **Identity Protection**

19 **SEC. 2001. PUBLIC-PRIVATE PARTNERSHIP TO ADDRESS**
20 **IDENTITY THEFT REFUND FRAUD.**

21 The Secretary of the Treasury (or the Secretary’s
22 delegate) shall work collaboratively with the public and
23 private sectors to protect taxpayers from identity theft re-
24 fund 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
5 advisory group convened by the Secretary pursuant to sec-
6 tion 2001(b)(2) of the Internal Revenue Service Restruc-
7 turing and Reform Act of 1998 (commonly known as the
8 Electronic Tax Administration Advisory Committee) stud-
9 ies (including by providing organized public forums) and
10 makes recommendations to the Secretary regarding meth-
11 ods to prevent 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 informa-
15 tion sharing and analysis center to centralize, standardize,
16 and enhance data compilation and analysis to facilitate
17 sharing actionable data and information with respect to
18 identity theft tax refund fraud.

19 (b) DEVELOPMENT OF PERFORMANCE METRICS.—
20 The Secretary of the Treasury (or the Secretary’s dele-
21 gate) shall develop metrics for measuring the success of
22 such center in detecting and preventing identity theft tax
23 refund fraud.

24 (c) DISCLOSURE.—

1 (1) IN GENERAL.—Section 6103(k), as amend-
2 ed by this Act, is amended by adding at the end the
3 following new paragraph:

4 “(14) DISCLOSURE OF RETURN INFORMATION
5 FOR PURPOSES OF CYBERSECURITY AND THE PRE-
6 VENTION OF IDENTITY THEFT TAX REFUND
7 FRAUD.—

8 “(A) IN GENERAL.—Under such proce-
9 dures and subject to such conditions as the Sec-
10 retary may prescribe, the Secretary may dis-
11 close specified return information to specified
12 ISAC participants to the extent that the Sec-
13 retary determines such disclosure is in further-
14 ance of effective Federal tax administration re-
15 lating to the detection or prevention of identity
16 theft tax refund fraud, validation of taxpayer
17 identity, authentication of taxpayer returns, or
18 detection or prevention of cybersecurity threats.

19 “(B) SPECIFIED ISAC PARTICIPANTS.—For
20 purposes of this paragraph—

21 “(i) IN GENERAL.—The term ‘speci-
22 fied ISAC participant’ means—

23 “(I) any person designated by
24 the Secretary as having primary re-
25 sponsibility for a function performed

1 with respect to the information shar-
2 ing and analysis center described in
3 section 2003(a) of the Taxpayer First
4 Act of 2018, and

5 “(II) any person subject to the
6 requirements of section 7216 and
7 which is a participant in such infor-
8 mation sharing and analysis center.

9 “(ii) INFORMATION SHARING AGREE-
10 MENT.—Such term shall not include any
11 person unless such person has entered into
12 a written agreement with the Secretary
13 setting forth the terms and conditions for
14 the disclosure of information to such per-
15 son under this paragraph, including re-
16 quirements regarding the protection and
17 safeguarding of such information by such
18 person.

19 “(C) SPECIFIED RETURN INFORMATION.—
20 For purposes of this paragraph, the term ‘spec-
21 ified return information’ means—

22 “(i) in the case of a return which is
23 in connection with a case of potential iden-
24 tity theft refund fraud—

1 “(I) in the case of such return
2 filed electronically, the internet pro-
3 tocol address, device identification,
4 email domain name, speed of comple-
5 tion, method of authentication, refund
6 method, and such other return infor-
7 mation related to the electronic filing
8 characteristics of such return as the
9 Secretary may identify for purposes of
10 this subclause, and

11 “(II) in the case of such return
12 prepared by a tax return preparer,
13 identifying information with respect to
14 such tax return preparer, including
15 the preparer taxpayer identification
16 number and electronic filer identifica-
17 tion number of such preparer,

18 “(ii) in the case of a return which is
19 in connection with a case of a identity
20 theft refund fraud which has been con-
21 firmed by the Secretary (pursuant to such
22 procedures as the Secretary may provide),
23 the information referred to in subclauses
24 (I) and (II) of clause (i), the name and
25 taxpayer identification number of the tax-

1 payer as it appears on the return, and any
2 bank account and routing information pro-
3 vided for making a refund in connection
4 with such return, and

5 “(iii) in the case of any cybersecurity
6 threat to the Internal Revenue Service, in-
7 formation similar to the information de-
8 scribed in subclauses (I) and (II) of clause
9 (i) with respect to such threat.

10 “(D) RESTRICTION ON USE OF DISCLOSED
11 INFORMATION.—

12 “(i) DESIGNATED THIRD PARTIES.—
13 Any return information received by a per-
14 son described in subparagraph (B)(i)(I)
15 shall be used only for the purposes of and
16 to the extent necessary in—

17 “(I) performing the function such
18 person is designated to perform under
19 such subparagraph,

20 “(II) facilitating disclosures au-
21 thORIZED under subparagraph (A) to
22 persons described in subparagraph
23 (B)(i)(II), and

24 “(III) facilitating disclosures au-
25 thORIZED under subsection (d) to par-

1 participants in such information sharing
2 and analysis center.

3 “(ii) RETURN PREPARERS.—Any re-
4 turn information received by a person de-
5 scribed in subparagraph (B)(i)(II) shall be
6 treated for purposes of section 7216 as in-
7 formation furnished to such person for, or
8 in connection with, the preparation of a re-
9 turn of the tax imposed under chapter 1.

10 “(E) DATA PROTECTION AND SAFE-
11 GUARDS.—Return information disclosed under
12 this paragraph shall be subject to such protec-
13 tions and safeguards as the Secretary may re-
14 quire in regulations or other guidance or in the
15 written agreement referred to in subparagraph
16 (B)(ii). Such written agreement shall include a
17 requirement that any unauthorized access to in-
18 formation disclosed under this paragraph, and
19 any breach of any system in which such infor-
20 mation is held, be reported to the Treasury In-
21 spector General for Tax Administration.”.

22 (2) APPLICATION OF CIVIL AND CRIMINAL PEN-
23 ALTIES.—

1 (A) Section 6103(a)(3), as amended by
2 this Act, is amended by striking “or (13)” and
3 inserting “(13), or (14)”.

4 (B) Section 7213(a)(2), as amended by
5 this Act, is amended by striking “or (13)” and
6 inserting “(13), or (14)”.

7 **SEC. 2004. COMPLIANCE BY CONTRACTORS WITH CON-**
8 **FIDENTIALITY SAFEGUARDS.**

9 (a) IN GENERAL.—Section 6103(p) is amended by
10 adding at the end the following new paragraph:

11 “(9) DISCLOSURE TO CONTRACTORS AND
12 OTHER AGENTS.—Notwithstanding any other provi-
13 sion of this section, no return or return information
14 shall be disclosed to any contractor or other agent
15 of a Federal, State, or local agency unless such
16 agency, to the satisfaction of the Secretary—

17 “(A) has requirements in effect which re-
18 quire each such contractor or other agent which
19 would have access to returns or return informa-
20 tion to provide safeguards (within the meaning
21 of paragraph (4)) to protect the confidentiality
22 of such returns or return information,

23 “(B) agrees to conduct an on-site review
24 every 3 years (or a mid-point review in the case
25 of contracts or agreements of less than 3 years

1 in duration) of each contractor or other agent
2 to determine compliance with such require-
3 ments,

4 “(C) submits the findings of the most re-
5 cent review conducted under subparagraph (B)
6 to the Secretary as part of the report required
7 by paragraph (4)(E), and

8 “(D) certifies to the Secretary for the most
9 recent annual period that such contractor or
10 other agent is in compliance with all such re-
11 quirements.

12 The certification required by subparagraph (D) shall
13 include the name and address of each contractor or
14 other agent, a description of the contract or agree-
15 ment with such contractor or other agent, and the
16 duration of such contract or agreement. The require-
17 ments of this paragraph shall not apply to disclo-
18 sures pursuant to subsection (n) for purposes of
19 Federal tax administration.”.

20 (b) CONFORMING AMENDMENT.—Section
21 6103(p)(8)(B) is amended by inserting “or paragraph
22 (9)” after “subparagraph (A)”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to disclosures made after Decem-
25 ber 31, 2022.

1 **SEC. 2005. REPORT ON ELECTRONIC PAYMENTS.**

2 Not later than 2 years after the date of the enact-
3 ment of this Act, the Secretary of the Treasury (or the
4 Secretary's delegate), in coordination with the Bureau of
5 Fiscal Service and the Internal Revenue Service, and in
6 consultation with private sector financial institutions, shall
7 submit a written report to Congress describing how the
8 government can utilize new payment platforms to increase
9 the number of tax refunds paid by electronic funds trans-
10 fer. Such report shall weigh the interests of reducing iden-
11 tity theft tax refund fraud, reducing the Federal Govern-
12 ment's costs in delivering tax refunds, the costs and any
13 associated fees charged to taxpayers (including monthly
14 and point-of-service fees) to access their tax refunds, the
15 impact on individuals who do not have access to financial
16 accounts or institutions, and ensuring payments are made
17 to accounts at a financial institution that complies with
18 section 21 of the Federal Deposit Insurance Act, chapter
19 2 of title I of Public Law 91-508, and subchapter II of
20 chapter 53 of title 31, United States Code (commonly re-
21 ferred to collectively as the "Bank Secrecy Act") and the
22 USA PATRIOT Act. Such report shall include any legisla-
23 tive recommendations necessary to accomplish these goals.

1 **SEC. 2006. IDENTITY PROTECTION PERSONAL IDENTIFICA-**
2 **TION NUMBERS.**

3 (a) IN GENERAL.—Subject to subsection (b), the Sec-
4 retary of the Treasury or the Secretary’s delegate (here-
5 after referred to in this section as the “Secretary”) shall
6 establish a program to issue, upon the request of any indi-
7 vidual, a number which may be used in connection with
8 such individual’s social security number (or other identi-
9 fying information with respect to such individual as deter-
10 mined by the Secretary) to assist the Secretary in
11 verifying such individual’s identity.

12 (b) REQUIREMENTS.—

13 (1) ANNUAL EXPANSION.—For each calendar
14 year beginning after the date of the enactment of
15 this Act, the Secretary shall provide numbers
16 through the program described in subsection (a) to
17 individuals residing in such States as the Secretary
18 deems appropriate, provided that the total number
19 of States served by such program during such year
20 is greater than the total number of States served by
21 such program during the preceding year.

22 (2) NATIONWIDE AVAILABILITY.—Not later
23 than 5 years after the date of the enactment of this
24 Act, the Secretary shall ensure that the program de-
25 scribed in subsection (a) is made available to any in-
26 dividual residing in the United States.

1 **SEC. 2007. SINGLE POINT OF CONTACT FOR TAX-RELATED**
2 **IDENTITY THEFT VICTIMS.**

3 (a) IN GENERAL.—The Secretary of the Treasury (or
4 the Secretary’s delegate) shall establish and implement
5 procedures to ensure that any taxpayer whose return has
6 been delayed or otherwise adversely affected due to tax-
7 related identity theft has a single point of contact at the
8 Internal Revenue Service throughout the processing of the
9 taxpayer’s case. The single point of contact shall track the
10 taxpayer’s case to completion and coordinate with other
11 Internal Revenue Service employees to resolve case issues
12 as quickly as possible.

13 (b) SINGLE POINT OF CONTACT.—

14 (1) IN GENERAL.—For purposes of subsection
15 (a), the single point of contact shall consist of a
16 team or subset of specially trained employees who—

17 (A) have the ability to work across func-
18 tions to resolve the issues involved in the tax-
19 payer’s case; and

20 (B) shall be accountable for handling the
21 case until its resolution.

22 (2) TEAM OR SUBSET.—The employees included
23 within the team or subset described in paragraph (1)
24 may change as required to meet the needs of the In-
25 ternal Revenue Service, provided that procedures
26 have been established to—

1 (A) ensure continuity of records and case
2 history; and

3 (B) notify the taxpayer when appropriate.

4 **SEC. 2008. NOTIFICATION OF SUSPECTED IDENTITY THEFT.**

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

7 **“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY**
8 **THEFT.**

9 “(a) IN GENERAL.—If the Secretary determines that
10 there has been or may have been an unauthorized use of
11 the identity of any individual, the Secretary shall, without
12 jeopardizing an investigation relating to tax administra-
13 tion—

14 “(1) as soon as practicable, notify the indi-
15 vidual of such determination and provide—

16 “(A) instructions on how to file a report
17 with law enforcement regarding the unauthor-
18 ized use of the identity of the individual,

19 “(B) the identification of any forms nec-
20 essary for the individual to complete and submit
21 to law enforcement to permit access to personal
22 information of the individual during the inves-
23 tigation,

24 “(C) information regarding actions the in-
25 dividual may take in order to protect the indi-

1 vidual from harm relating to such unauthorized
2 use, and

3 “(D) an offer of identity protection meas-
4 ures to be provided to the individual by the In-
5 ternal Revenue Service, such as the use of an
6 identity protection personal identification num-
7 ber, and

8 “(2) at the time the information described in
9 paragraph (1) is provided (or, if not available at
10 such time, as soon as practicable thereafter), issue
11 additional notifications to such individual (or such
12 individual’s designee) regarding—

13 “(A) whether an investigation has been ini-
14 tiated in regards to such unauthorized use,

15 “(B) whether the investigation substan-
16 tiated an unauthorized use of the identity of the
17 individual, and

18 “(C) whether—

19 “(i) any action has been taken against
20 a person relating to such unauthorized use,
21 or

22 “(ii) any referral has been made for
23 criminal prosecution of such person and, to
24 the extent such information is available,

1 whether such person has been criminally
2 charged by indictment or information.

3 “(b) EMPLOYMENT-RELATED IDENTITY THEFT.—

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion, the unauthorized use of the identity of an indi-
6 vidual includes the unauthorized use of the identity
7 of the individual to obtain employment.

8 “(2) DETERMINATION OF EMPLOYMENT-RE-
9 LATED IDENTITY THEFT.—For purposes of this sec-
10 tion, in making a determination as to whether there
11 has been or may have been an unauthorized use of
12 the identity of an individual to obtain employment,
13 the Secretary shall review any information—

14 “(A) obtained from a statement described
15 in section 6051 or an information return relat-
16 ing to compensation for services rendered other
17 than as an employee, or

18 “(B) provided to the Internal Revenue
19 Service by the Social Security Administration
20 regarding any statement described in section
21 6051,

22 which indicates that the social security account num-
23 ber provided on such statement or information re-
24 turn does not correspond with the name provided on
25 such statement or information return or the name

1 on the tax return reporting the income which is in-
2 cluded on such statement or information return.”.

3 (b) ADDITIONAL MEASURES.—

4 (1) EXAMINATION OF BOTH PAPER AND ELEC-
5 TRONIC STATEMENTS AND RETURNS.—The Sec-
6 retary of the Treasury (or the Secretary’s delegate)
7 shall examine the statements, information returns,
8 and tax returns described in section 7529(b)(2) of
9 the Internal Revenue Code of 1986 (as added by
10 subsection (a)) for any evidence of employment-re-
11 lated identity theft, regardless of whether such state-
12 ments or returns are submitted electronically or on
13 paper.

14 (2) IMPROVEMENT OF EFFECTIVE RETURN
15 PROCESSING PROGRAM WITH SOCIAL SECURITY AD-
16 MINISTRATION.—Section 232 of the Social Security
17 Act (42 U.S.C. 432) is amended by inserting after
18 the third sentence the following: “For purposes of
19 carrying out the return processing program de-
20 scribed in the preceding sentence, the Commissioner
21 of Social Security shall request, not less than annu-
22 ally, such information described in section
23 7529(b)(2) of the Internal Revenue Code of 1986 as
24 may be necessary to ensure the accuracy of the
25 records maintained by the Commissioner of Social

1 Security related to the amounts of wages paid to,
2 and the amounts of self-employment income derived
3 by, individuals.”.

4 (3) UNDERREPORTING OF INCOME.—The Sec-
5 retary (or the Secretary’s delegate) shall establish
6 procedures to ensure that income reported in con-
7 nection with the unauthorized use of a taxpayer’s
8 identity is not taken into account in determining any
9 penalty for underreporting of income by the victim
10 of identity theft.

11 (c) CLERICAL AMENDMENT.—The table of sections
12 for chapter 77 is amended by adding at the end the fol-
13 lowing new item:

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

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to determinations made after the
16 date that is 6 months after the date of the enactment of
17 this Act.

18 **SEC. 2009. GUIDELINES FOR STOLEN IDENTITY REFUND**
19 **FRAUD CASES.**

20 (a) IN GENERAL.—Not later than 1 year after the
21 date of the enactment of this Act, the Secretary (or the
22 Secretary’s delegate), in consultation with the National
23 Taxpayer Advocate, shall develop and implement publicly
24 available guidelines for management of cases involving sto-
25 len identity refund fraud in a manner that reduces the

1 administrative burden on taxpayers who are victims of
2 such fraud.

3 (b) STANDARDS AND PROCEDURES TO BE CONSID-
4 ERED.—The guidelines described in subsection (a) may in-
5 clude—

6 (1) standards for—

7 (A) the average length of time in which a
8 case involving stolen identity refund fraud
9 should be resolved;

10 (B) the maximum length of time, on aver-
11 age, a taxpayer who is a victim of stolen iden-
12 tity refund fraud and is entitled to a tax refund
13 which has been stolen should have to wait to re-
14 ceive such refund; and

15 (C) the maximum number of offices and
16 employees within the Internal Revenue Service
17 with whom a taxpayer who is a victim of stolen
18 identity refund fraud should be required to
19 interact in order to resolve a case;

20 (2) standards for opening, assigning, reas-
21 signing, or closing a case involving stolen identity re-
22 fund fraud; and

23 (3) procedures for implementing and accom-
24 plishing the standards described in paragraphs (1)
25 and (2), and measures for evaluating such proce-

1 dures and determining whether such standards have
2 been successfully implemented.

3 **SEC. 2010. INCREASED PENALTY FOR IMPROPER DISCLO-**
4 **SURE OR USE OF INFORMATION BY PRE-**
5 **PARERS OF RETURNS.**

6 (a) IN GENERAL.—Section 6713 is amended—

7 (1) by redesignating subsections (b) and (c) as
8 subsections (c) and (d), respectively; and

9 (2) by inserting after subsection (a) the fol-
10 lowing new subsection:

11 “(b) ENHANCED PENALTY FOR IMPROPER USE OR
12 DISCLOSURE RELATING TO IDENTITY THEFT.—

13 “(1) IN GENERAL.—In the case of a disclosure
14 or use described in subsection (a) that is made in
15 connection with a crime relating to the misappropriation
16 of another person’s taxpayer identity (as defined in section
17 6103(b)(6)), whether or not such
18 crime involves any tax filing, subsection (a) shall be
19 applied—

20 “(A) by substituting ‘\$1,000’ for ‘\$250’,
21 and

22 “(B) by substituting ‘\$50,000’ for
23 ‘\$10,000’.

24 “(2) SEPARATE APPLICATION OF TOTAL PEN-
25 ALTY LIMITATION.—The limitation on the total

1 amount of the penalty under subsection (a) shall be
2 applied separately with respect to disclosures or uses
3 to which this subsection applies and to which it does
4 not apply.”.

5 (b) CRIMINAL PENALTY.—Section 7216(a) is amend-
6 ed by striking “\$1,000” and inserting “\$1,000 (\$100,000
7 in the case of a disclosure or use to which section 6713(b)
8 applies)”.

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

12 **Subtitle B—Development of** 13 **Information Technology**

14 **SEC. 2101. MANAGEMENT OF INTERNAL REVENUE SERVICE** 15 **INFORMATION TECHNOLOGY.**

16 (a) DUTIES AND RESPONSIBILITIES OF INTERNAL
17 REVENUE SERVICE CHIEF INFORMATION OFFICER.—Sec-
18 tion 7803, as amended by section 1001, is amended by
19 adding at the end the following new subsection:

20 “(f) INTERNAL REVENUE SERVICE CHIEF INFORMA-
21 TION OFFICER.—

22 “(1) IN GENERAL.—There shall be in the Inter-
23 nal Revenue Service an Internal Revenue Service
24 Chief Information Officer (hereafter referred to in
25 this subsection as the ‘IRS CIO’) who shall be ap-

1 pointed by the Commissioner of the Internal Rev-
2 enue Service.

3 “(2) CENTRALIZED RESPONSIBILITY FOR IN-
4 TERNAL REVENUE SERVICE INFORMATION TECH-
5 NOLOGY.—The Commissioner of the Internal Rev-
6 enue Service (and the Secretary) shall act through
7 the IRS CIO with respect to all development, imple-
8 mentation, and maintenance of information tech-
9 nology for the Internal Revenue Service. Any ref-
10 erence in this subsection to the IRS CIO which di-
11 rects the IRS CIO to take any action, or to assume
12 any responsibility, shall be treated as a reference to
13 the Commissioner of the Internal Revenue Service
14 acting through the IRS CIO.

15 “(3) GENERAL DUTIES AND RESPONSIBIL-
16 ITIES.—The IRS CIO shall—

17 “(A) be responsible for the development,
18 implementation, and maintenance of informa-
19 tion technology for the Internal Revenue Serv-
20 ice,

21 “(B) ensure that the information tech-
22 nology of the Internal Revenue Service is secure
23 and integrated,

1 “(C) maintain operational control of all in-
2 formation technology for the Internal Revenue
3 Service,

4 “(D) be the principal advocate for the in-
5 formation technology needs of the Internal Rev-
6 enue Service, and

7 “(E) consult with the Chief Procurement
8 Officer of the Internal Revenue Service to en-
9 sure that the information technology acquired
10 for the Internal Revenue Service is consistent
11 with—

12 “(i) the goals and requirements speci-
13 fied in subparagraphs (A) through (D),
14 and

15 “(ii) the strategic plan developed
16 under paragraph (4).

17 “(4) STRATEGIC PLAN.—

18 “(A) IN GENERAL.—The IRS CIO shall
19 develop and implement a multiyear strategic
20 plan for the information technology needs of the
21 Internal Revenue Service. Such plan shall—

22 “(i) include performance measure-
23 ments of such technology and of the imple-
24 mentation of such plan,

1 “(ii) include a plan for an integrated
2 enterprise architecture of the information
3 technology of the Internal Revenue Service,

4 “(iii) include and take into account
5 the resources needed to accomplish such
6 plan,

7 “(iv) take into account planned major
8 acquisitions of information technology by
9 the Internal Revenue Service, including
10 Customer Account Data Engine 2 and the
11 Enterprise Case Management System, and

12 “(v) align with the needs and stra-
13 tegic plan of the Internal Revenue Service.

14 “(B) PLAN UPDATES.—The IRS CIO
15 shall, not less frequently than annually, review
16 and update the strategic plan under subpara-
17 graph (A) (including the plan for an integrated
18 enterprise architecture described in subpara-
19 graph (A)(ii)) to take into account the develop-
20 ment of new information technology and the
21 needs of the Internal Revenue Service.

22 “(5) SCOPE OF AUTHORITY.—

23 “(A) INFORMATION TECHNOLOGY.—For
24 purposes of this subsection, the term ‘informa-
25 tion technology’ has the meaning given such

1 term by section 11101 of title 40, United States
2 Code.

3 “(B) INTERNAL REVENUE SERVICE.—Any
4 reference in this subsection to the Internal Rev-
5 enue Service includes a reference to all compo-
6 nents of the Internal Revenue Service, includ-
7 ing—

8 “(i) the Office of the Taxpayer Advo-
9 cate,

10 “(ii) the Criminal Investigation Divi-
11 sion of the Internal Revenue Service, and

12 “(iii) except as otherwise provided by
13 the Secretary with respect to information
14 technology related to matters described in
15 subsection (b)(3)(B), the Office of the
16 Chief Counsel.”.

17 (b) INDEPENDENT VERIFICATION AND VALIDATION
18 OF THE CUSTOMER ACCOUNT DATA ENGINE 2 AND EN-
19 TERPRISE CASE MANAGEMENT SYSTEM.—

20 (1) IN GENERAL.—The Commissioner of the In-
21 ternal Revenue Service shall enter into a contract
22 with an independent reviewer to verify and validate
23 the implementation plans (including the performance
24 milestones and cost estimates included in such
25 plans) developed for the Customer Account Data

1 Engine 2 and the Enterprise Case Management Sys-
2 tem.

3 (2) DEADLINE FOR COMPLETION.—Such con-
4 tract shall require that such verification and valida-
5 tion be completed not later than the date which is
6 1 year after the date of the enactment of this Act.

7 (3) APPLICATION TO PHASES OF CADE 2.—

8 (A) IN GENERAL.—Paragraphs (1) and (2)
9 shall not apply to phase 1 of the Customer Ac-
10 count Data Engine 2 and shall apply separately
11 to each other phase.

12 (B) DEADLINE FOR COMPLETING
13 PLANS.—Not later than 1 year after the date of
14 the enactment of this Act, the Commissioner of
15 the Internal Revenue Service shall complete the
16 development of plans for all phases of the Cus-
17 tomer Account Data Engine 2.

18 (C) DEADLINE FOR COMPLETION OF
19 VERIFICATION AND VALIDATION OF PLANS.—In
20 the case of any phase after phase 2 of the Cus-
21 tomer Account Data Engine 2, paragraph (2)
22 shall be applied by substituting “the date on
23 which the plan for such phase was completed”
24 for “the date of the enactment of this Act”.

1 (c) COORDINATION OF IRS CIO AND CHIEF PRO-
2 CUREMENT OFFICER OF THE INTERNAL REVENUE SERV-
3 ICE.—

4 (1) IN GENERAL.—The Chief Procurement Offi-
5 cer of the Internal Revenue Service shall—

6 (A) identify all significant IRS information
7 technology acquisitions and provide written no-
8 tification to the Internal Revenue Service Chief
9 Information Officer (hereafter referred to in
10 this subsection as the “IRS CIO”) of each such
11 acquisition in advance of such acquisition, and

12 (B) regularly consult with the IRS CIO re-
13 garding acquisitions of information technology
14 for the Internal Revenue Service, including
15 meeting with the IRS CIO regarding such ac-
16 quisitions upon request.

17 (2) SIGNIFICANT IRS INFORMATION TECH-
18 NOLOGY ACQUISITIONS.—For purposes of this sub-
19 section, the term “significant IRS information tech-
20 nology acquisitions” means—

21 (A) any acquisition of information tech-
22 nology for the Internal Revenue Service in ex-
23 cess of \$1,000,000, and

24 (B) such other acquisitions of information
25 technology for the Internal Revenue Service (or

1 categories of such acquisitions) as the IRS CIO,
2 in consultation with the Chief Procurement Of-
3 ficer of the Internal Revenue Service, may iden-
4 tify.

5 (3) SCOPE.—Terms used in this subsection
6 which are also used in section 7803(f) of the Inter-
7 nal Revenue Code of 1986 (as amended by sub-
8 section (a)) shall have the same meaning as when
9 used in such section.

10 **SEC. 2102. DEVELOPMENT OF ONLINE ACCOUNTS AND POR-**
11 **TALS.**

12 (a) IN GENERAL.—The Secretary of the Treasury or
13 the Secretary’s delegate (hereafter referred to in this sec-
14 tion as the “Secretary”) shall—

15 (1) develop secure individualized online ac-
16 counts to provide services to taxpayers and their
17 designated return preparers, including obtaining tax-
18 payer information, making payment of taxes, shar-
19 ing documentation, and (to the extent feasible) ad-
20 dressing and correcting issues, and

21 (2) develop a process for the acceptance of tax
22 forms, and supporting documentation, in digital or
23 other electronic format.

24 (b) ELECTRONIC SERVICES TREATED AS SUPPLE-
25 MENTAL; APPLICATION OF SECURITY STANDARDS.—The

1 Secretary shall ensure that the processes described in sub-
2 section (a)—

3 (1) are a supplement to, and not a replacement
4 for, other services provided by the Internal Revenue
5 Service to taxpayers, including face-to-face taxpayer
6 assistance and services provided by phone, and

7 (2) comply with applicable security standards
8 and guidelines.

9 (c) PROCESS FOR DEVELOPING ONLINE AC-
10 COUNTS.—

11 (1) DEVELOPMENT OF PLAN.—Not later than 1
12 year after the date of the enactment of this Act, the
13 Secretary shall submit to Congress a written report
14 describing the Secretary's plan for developing the se-
15 cure individualized online accounts described in sub-
16 section (a)(1). Such plan shall address the feasibility
17 of taxpayers addressing and correcting issues
18 through such accounts and whether access to such
19 accounts should be restricted and in what manner.

20 (2) DEADLINE.—The Secretary shall make
21 every reasonable effort to make the secure individ-
22 ualized online accounts described in subsection
23 (a)(1) available to taxpayers by December 31, 2023.

1 **SEC. 2103. INTERNET PLATFORM FOR FORM 1099 FILINGS.**

2 (a) IN GENERAL.—Not later than January 1, 2023,
3 the Secretary of the Treasury or the Secretary’s delegate
4 (hereafter referred to in this section as the “Secretary”)
5 shall make available an Internet website or other elec-
6 tronic media, with a user interface and functionality simi-
7 lar to the Business Services Online Suite of Services pro-
8 vided by the Social Security Administration, that will pro-
9 vide access to resources and guidance provided by the In-
10 ternal Revenue Service and will allow persons to—

11 (1) prepare and file Forms 1099,

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

15 (3) maintain a record of completed and sub-
16 mitted Forms 1099.

17 (b) ELECTRONIC SERVICES TREATED AS SUPPLE-
18 MENTAL; APPLICATION OF SECURITY STANDARDS.—The
19 Secretary shall ensure that the services described in sub-
20 section (a)—

21 (1) are a supplement to, and not a replacement
22 for, other services provided by the Internal Revenue
23 Service to taxpayers, and

24 (2) comply with applicable security standards
25 and guidelines.

1 **SEC. 2104. STREAMLINED CRITICAL PAY AUTHORITY FOR**
2 **INFORMATION TECHNOLOGY POSITIONS.**

3 (a) IN GENERAL.—Subchapter A of chapter 80 is
4 amended by adding at the end the following new section:

5 **“SEC. 7812. STREAMLINED CRITICAL PAY AUTHORITY FOR**
6 **INFORMATION TECHNOLOGY POSITIONS.**

7 “In the case of any position which is critical to the
8 functionality of the information technology operations of
9 the Internal Revenue Service—

10 “(1) section 9503 of title 5, United States
11 Code, shall be applied—

12 “(A) by substituting ‘during the period be-
13 ginning on the date of the enactment of section
14 7812 of the Internal Revenue Code of 1986,
15 and ending on September 30, 2023’ for ‘Before
16 September 30, 2013 in subsection (a)’,

17 “(B) without regard to subparagraph (B)
18 of subsection (a)(1), and

19 “(C) by substituting ‘the date of the enact-
20 ment of the Taxpayer First Act of 2018’ for
21 ‘June 1, 1998’ in subsection (a)(6),

22 “(2) section 9504 of such title 5 shall be ap-
23 plied by substituting ‘During the period beginning
24 on the date of the enactment of section 7812 of the
25 Internal Revenue Code of 1986, and ending on Sep-

1 tember 30, 2023’ for ‘Before September 30, 2013’
2 each place it appears in subsections (a) and (b), and
3 “(3) section 9505 of such title shall be ap-
4 plied—

5 “(A) by substituting ‘During the period be-
6 ginning on the date of the enactment of section
7 7812 of the Internal Revenue Code of 1986,
8 and ending on September 30, 2023’ for ‘Before
9 September 30, 2013’ in subsection (a), and

10 “(B) by substituting ‘the information tech-
11 nology operations’ for ‘significant functions’ in
12 subsection (a).”.

13 (b) CLERICAL AMENDMENT.—The table of sections
14 for subchapter A of chapter 80 is amended by adding at
15 the end the following new item:

“Sec. 7812. Streamlined critical pay authority for information technology posi-
tions.”.

16 **Subtitle C—Modernization of Con-**
17 **sent-based Income Verification**
18 **System**

19 **SEC. 2201. DISCLOSURE OF TAXPAYER INFORMATION FOR**
20 **THIRD-PARTY INCOME VERIFICATION.**

21 (a) IN GENERAL.—Not later than 1 year after the
22 close of the 2-year period described in subsection (d)(1),
23 the Secretary of the Treasury or the Secretary’s delegate
24 (hereafter referred to in this section as the “Secretary”)

1 shall implement a program to ensure that any qualified
2 disclosure—

3 (1) is fully automated and accomplished
4 through the Internet, and

5 (2) is accomplished in as close to real-time as
6 is 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
10 1986 of returns or return information by the Secretary
11 to a person seeking to verify the income or creditworthi-
12 ness of a taxpayer who is a borrower in the process of
13 a loan application.

14 (c) APPLICATION OF SECURITY STANDARDS.—The
15 Secretary shall ensure that the program described in sub-
16 section (a) complies with applicable security standards and
17 guidelines.

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
21 beginning after the date of the enactment of this
22 Act, the Secretary shall assess and collect a fee for
23 qualified disclosures (in addition to any other fee as-
24 sessed and collected for such disclosures) at such
25 rates as the Secretary determines are sufficient to

1 cover the costs related to implementing the program
2 described in subsection (a), including the costs of
3 any necessary 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
8 activities 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
16 adding at the end the following: “Persons designated by
17 the taxpayer under this subsection to receive return infor-
18 mation shall not use the information for any purpose other
19 than the express purpose for which consent was granted
20 and shall not disclose return information to any other per-
21 son without the express permission of, or request by, the
22 taxpayer.”.

23 (b) APPLICATION OF PENALTIES.—Section
24 6103(a)(3) is amended by inserting “subsection (c),” after
25 “return information under”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to disclosures made after the date
3 of the 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
9 of”.

10 (b) APPLICABLE NUMBER.—Section 6011(e) is
11 amended by striking paragraph (5) and inserting the fol-
12 lowing new paragraphs:

13 “(5) APPLICABLE NUMBER.—

14 “(A) IN GENERAL.—For purposes of para-
15 graph (2)(A), the applicable number shall be—

16 “(i) except as provided in subpara-
17 graph (B), in the case of calendar years
18 before 2020, 250,

19 “(ii) in the case of calendar year
20 2020, 100, and

21 “(iii) in the case of calendar years
22 after 2020, 10.

23 “(B) SPECIAL RULE FOR PARTNERSHIPS
24 FOR 2018 AND 2019.—In the case of a partner-

1 ship, for any calendar year before 2020, the ap-
2 plicable number shall be—

3 “(i) in the case of calendar year 2018,
4 200, and

5 “(ii) in the case of calendar year
6 2019, 150.

7 “(6) PARTNERSHIPS REQUIRED TO FILE ON
8 MAGNETIC MEDIA.—Notwithstanding paragraph
9 (2)(A), the Secretary shall require partnerships hav-
10 ing more than 100 partners to file returns on mag-
11 netic media.”.

12 (c) RETURNS FILED BY A TAX RETURN PRE-
13 PARER.—Section 6011(e)(3) is amended by adding at the
14 end the following new subparagraph:

15 “(D) EXCEPTION FOR CERTAIN PRE-
16 PARERS LOCATED IN AREAS WITHOUT INTER-
17 NET ACCESS.—The Secretary may waive the re-
18 quirement of subparagraph (A) if the Secretary
19 determines, on the basis of an application by
20 the tax return preparer, that the preparer can-
21 not meet such requirement by reason of being
22 located in a geographic area which does not
23 have access to internet service (other than dial-
24 up or satellite service).”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the date of the enactment
3 of this Act.

4 **SEC. 2302. UNIFORM STANDARDS FOR THE USE OF ELEC-**
5 **TRONIC SIGNATURES FOR DISCLOSURE AU-**
6 **THORIZATIONS TO, AND OTHER AUTHORIZA-**
7 **TIONS OF, PRACTITIONERS.**

8 Section 6061(b)(3) is amended to read as follows:

9 “(3) PUBLISHED GUIDANCE.—

10 “(A) IN GENERAL.—The Secretary shall
11 publish guidance as appropriate to define and
12 implement any waiver of the signature require-
13 ments or any method adopted under paragraph
14 (1).

15 “(B) ELECTRONIC SIGNATURES FOR DIS-
16 CLOSURE AUTHORIZATIONS TO, AND OTHER AU-
17 THORIZATIONS OF, PRACTITIONERS.—Not later
18 than 6 months after the date of the enactment
19 of this subparagraph, the Secretary shall pub-
20 lish guidance to establish uniform standards
21 and procedures for the acceptance of taxpayers’
22 signatures appearing in electronic form with re-
23 spect to any request for disclosure of a tax-
24 payer’s return or return information under sec-
25 tion 6103(c) to a practitioner or any power of

1 attorney granted by a taxpayer to a practi-
2 tioner.

3 “(C) PRACTITIONER.—For purposes of
4 subparagraph (B), the term ‘practitioner’
5 means any individual in good standing who is
6 regulated under section 330 of title 31, United
7 States Code.”.

8 **SEC. 2303. PAYMENT OF TAXES BY DEBIT AND CREDIT**
9 **CARDS.**

10 Section 6311(d)(2) is amended by adding at the end
11 the following: “The preceding sentence shall not apply to
12 the extent that the Secretary ensures that any such fee
13 or other consideration is fully recouped by the Secretary
14 in the form of fees paid to the Secretary by persons paying
15 taxes imposed under subtitle A with credit, debit, or
16 charge cards pursuant to such contract. Notwithstanding
17 the preceding sentence, the Secretary shall seek to mini-
18 mize the amount of any fee or other consideration that
19 the Secretary pays under any such contract.”.

20 **SEC. 2304. REQUIREMENT THAT ELECTRONICALLY PRE-**
21 **PARED PAPER RETURNS INCLUDE SCAN-**
22 **NABLE CODE.**

23 (a) IN GENERAL.—Subsection (e) of section 6011, as
24 amended by this Act, is amended by adding at the end
25 the following new paragraph:

1 **Subtitle E—Other Provisions**

2 **SEC. 2401. REPEAL OF PROVISION REGARDING CERTAIN** 3 **TAX COMPLIANCE PROCEDURES AND RE-** 4 **PORTS.**

5 Section 2004 of the Internal Revenue Service Re-
6 structuring and Reform Act of 1998 (26 U.S.C. 6012
7 note) is repealed.

8 **SEC. 2402. COMPREHENSIVE TRAINING STRATEGY.**

9 Not later than 1 year after the date of the enactment
10 of this Act, the Commissioner of Internal Revenue shall
11 submit to Congress a written report providing a com-
12 prehensive training strategy for employees of the Internal
13 Revenue Service, including—

14 (1) a plan to streamline current training proc-
15 esses, including an assessment of the utility of fur-
16 ther consolidating internal training programs, tech-
17 nology, and funding,

18 (2) a plan to develop annual training regarding
19 taxpayer rights, including the role of the Office of
20 the Taxpayer Advocate, for employees that interface
21 with taxpayers and their managers,

22 (3) a plan to improve technology-based training,

23 (4) proposals to—

24 (A) focus employee training on early, fair,
25 and efficient resolution of taxpayer disputes for

1 employees that interface with taxpayers and
2 their managers, and

3 (B) ensure consistency of skill development
4 and employee evaluation throughout the Inter-
5 nal Revenue Service, and

6 (5) a thorough assessment of the funding nec-
7 essary to implement such strategy.

8 **TITLE III—MISCELLANEOUS**
9 **PROVISIONS**

10 **Subtitle A—Reform of Laws Gov-**
11 **erning Internal Revenue Serv-**
12 **ice Employees**

13 **SEC. 3001. ELECTRONIC RECORD RETENTION.**

14 (a) RETENTION OF RECORDS.—

15 (1) IN GENERAL.—Email records of the Inter-
16 nal Revenue Service shall be retained in an appro-
17 priate electronic system that supports records man-
18 agement and litigation requirements, including the
19 capability to identify, retrieve, and retain the
20 records, in accordance with the requirements de-
21 scribed in paragraph (2).

22 (2) REQUIREMENTS.—

23 (A) PRIOR TO CERTIFICATION.—The Com-
24 missioner of Internal Revenue and the Chief
25 Counsel for the Internal Revenue Service shall

1 retain all email records generated on or after
2 the date of the enactment of this Act and be-
3 fore the date on which the Treasury Inspector
4 General for Tax Administration makes the cer-
5 tification under subsection (c)(1).

6 (B) PRINCIPAL OFFICERS AND SPECIFIED
7 EMPLOYEES.—Not later than December 31,
8 2019, the Commissioner of Internal Revenue
9 and the Chief Counsel for the Internal Revenue
10 Service shall maintain email records of all prin-
11 cipal officers and specified employees of the In-
12 ternal Revenue Service for a period of not less
13 than 15 years beginning on the date such
14 record was generated.

15 (b) TRANSMISSION OF RECORDS TO THE NATIONAL
16 ARCHIVES.—Not later than 15 years after the date on
17 which an email record of a principal officer or specified
18 employee of the Internal Revenue Service is generated, the
19 Commissioner of Internal Revenue and the Chief Counsel
20 for the Internal Revenue Service shall transfer such email
21 record to the Archivist of the United States.

22 (c) COMPLIANCE.—

23 (1) CERTIFICATION.—On the date that the
24 Treasury Inspector General for Tax Administration
25 determines that the Internal Revenue Service has a

1 program in place that complies with the require-
2 ments of subsections (a)(2)(B) and (b), the Treas-
3 ury Inspector General for Tax Administration shall
4 certify to the Committee on Ways and Means of the
5 House of Representatives and the Committee on Fi-
6 nance of the Senate that the Internal Revenue Serv-
7 ice is in compliance with such requirements.

8 (2) REPORTS.—

9 (A) INTERIM REPORT.—Not later than De-
10 cember 31, 2019, the Treasury Inspector Gen-
11 eral for Tax Administration shall submit a re-
12 port to the Committee on Ways and Means of
13 the House of Representatives and the Com-
14 mittee on Finance of the Senate on the steps
15 being taken by the Commissioner of Internal
16 Revenue and the Chief Counsel for the Internal
17 Revenue Service to comply with the require-
18 ments of subsections (a)(2)(B) and (b).

19 (B) FINAL REPORT.—Not later than April
20 1, 2020, the Treasury Inspector General for
21 Tax Administration shall submit a report to the
22 Committee on Ways and Means of the House of
23 Representatives and the Committee on Finance
24 of the Senate describing whether the Internal

1 Revenue Service is in compliance with the re-
2 quirements of subsections (a)(2)(B) and (b).

3 (d) DEFINITIONS.—For purposes of this section—

4 (1) PRINCIPAL OFFICER.—The term “principal
5 officer” means, with respect to the Internal Revenue
6 Service—

7 (A) any employee whose position is listed
8 under the Internal Revenue Service in the most
9 recent version of the United States Government
10 Manual published by the Office of the Federal
11 Register;

12 (B) any employee who is a senior staff
13 member reporting directly to the Commissioner
14 of Internal Revenue or the Chief Counsel for
15 the Internal Revenue Service; and

16 (C) any associate counsel, deputy counsel,
17 or division head in the Office of the Chief
18 Counsel for the Internal Revenue Service.

19 (2) SPECIFIED EMPLOYEE.—The term “speci-
20 fied employee” means, with respect to the Internal
21 Revenue Service, any employee who—

22 (A) holds a Senior Executive Service posi-
23 tion (as defined in section 3132 of title 5,
24 United States Code) in the Internal Revenue

1 Service or the Office of Chief Counsel for the
2 Internal Revenue Service; and

3 (B) is not a principal officer of the Inter-
4 nal Revenue Service.

5 **SEC. 3002. PROHIBITION ON REHIRING ANY EMPLOYEE OF**
6 **THE INTERNAL REVENUE SERVICE WHO WAS**
7 **INVOLUNTARILY SEPARATED FROM SERVICE**
8 **FOR MISCONDUCT.**

9 (a) IN GENERAL.—Section 7804 is amended by add-
10 ing at the end the following new subsection:

11 “(d) PROHIBITION ON REHIRING EMPLOYEES INVOL-
12 UNTARILY SEPARATED.—The Commissioner may not hire
13 any individual previously employed by the Commissioner
14 who was removed for misconduct under this subchapter
15 or chapter 43 or chapter 75 of title 5, United States Code,
16 or whose employment was terminated under section 1203
17 of the Internal Revenue Service Restructuring and Reform
18 Act of 1998 (26 U.S.C. 7804 note).”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 subsection (a) shall apply with respect to the hiring of em-
21 ployees after the date of the enactment of this Act.

1 **SEC. 3003. NOTIFICATION OF UNAUTHORIZED INSPECTION**
2 **OR DISCLOSURE OF RETURNS AND RETURN**
3 **INFORMATION.**

4 (a) IN GENERAL.—Subsection (e) of section 7431 is
5 amended by adding at the end the following new sen-
6 tences: “The Secretary shall also notify such taxpayer if
7 the Internal Revenue Service or a Federal or State agency
8 (upon notice to the Secretary by such Federal or State
9 agency) proposes an administrative determination as to
10 disciplinary or adverse action against an employee arising
11 from the employee’s unauthorized inspection or disclosure
12 of the taxpayer’s return or return information. The notice
13 described in this subsection shall include the date of the
14 unauthorized inspection or disclosure and the rights of the
15 taxpayer under such administrative determination.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 this section shall apply to determinations proposed after
18 the date which is 180 days after the date of the enactment
19 of this Act.

20 **Subtitle B—Provisions Relating to**
21 **Exempt Organizations**

22 **SEC. 3101. MANDATORY E-FILING BY EXEMPT ORGANIZA-**
23 **TIONS.**

24 (a) IN GENERAL.—Section 6033 is amended by re-
25 designating subsection (n) as subsection (o) and by insert-
26 ing after subsection (m) the following new subsection:

1 “(n) MANDATORY ELECTRONIC FILING.—Any orga-
2 nization required to file a return under this section shall
3 file such return in electronic form.”.

4 (b) CONFORMING AMENDMENT.—Paragraph (7) of
5 section 527(j) is amended by striking “if the organization
6 has” and all that follows through “such calendar year”.

7 (c) INSPECTION OF ELECTRONICALLY FILED AN-
8 NUAL RETURNS.—Subsection (b) of section 6104 is
9 amended by adding at the end the following: “Any annual
10 return required to be filed electronically under section
11 6033(n) shall be made available by the Secretary to the
12 public as soon as practicable in a machine readable for-
13 mat.”.

14 (d) EFFECTIVE DATE.—

15 (1) IN GENERAL.—Except as provided in para-
16 graph (2), the amendments made by this section
17 shall apply to taxable years beginning after the date
18 of the enactment of this Act.

19 (2) TRANSITIONAL RELIEF.—

20 (A) SMALL ORGANIZATIONS.—

21 (i) IN GENERAL.—In the case of any
22 small organizations, or any other organiza-
23 tions for which the Secretary of the Treas-
24 ury or the Secretary’s delegate (hereafter
25 referred to in this paragraph as the “Sec-

1 retary”) determines the application of the
2 amendments made by this section would
3 cause undue burden without a delay, the
4 Secretary may delay the application of
5 such amendments, but such delay shall not
6 apply to any taxable year beginning on or
7 after the date 2 years after of the enact-
8 ment of this Act.

9 (ii) SMALL ORGANIZATION.—For pur-
10 poses of clause (i), the term “small organi-
11 zation” means any organization—

12 (I) the gross receipts of which for
13 the taxable year are less than
14 \$200,000; and

15 (II) the aggregate gross assets of
16 which at the end of the taxable year
17 are less than \$500,000.

18 (B) ORGANIZATIONS FILING FORM 990-
19 T.—In the case of any organization described
20 in section 511(a)(2) of the Internal Revenue
21 Code of 1986 which is subject to the tax im-
22 posed by section 511(a)(1) of such Code on its
23 unrelated business taxable income, or any orga-
24 nization required to file a return under section
25 6033 of such Code and include information

1 under subsection (e) thereof, the Secretary may
2 delay the application of the amendments made
3 by this section, but such delay shall not apply
4 to any taxable year beginning on or after the
5 date 2 years after of the enactment of this Act.

6 **SEC. 3102. NOTICE REQUIRED BEFORE REVOCATION OF**
7 **TAX EXEMPT STATUS FOR FAILURE TO FILE**
8 **RETURN.**

9 (a) IN GENERAL.—Section 6033(j)(1) is amended by
10 striking “If an organization” and inserting the following:

11 “(A) NOTICE.—

12 “(i) IN GENERAL.—After an organiza-
13 tion described in subsection (a)(1) or (i)
14 fails to file the annual return or notice re-
15 quired under either subsection for 2 con-
16 secutive years, the Secretary shall notify
17 the organization—

18 “(I) that the Internal Revenue
19 Service has no record of such a return
20 or notice from such organization for 2
21 consecutive years, and

22 “(II) about the revocation that
23 will occur under subparagraph (B) if
24 the organization fails to file such a re-
25 turn or notice by the due date for the

1 next such return or notice required to
2 be filed.

3 The notification under the preceding sen-
4 tence shall include information about how
5 to comply with the filing requirements
6 under subsection (a)(1) and (i).

7 “(B) REVOCATION.—If an organization”.

8 (b) EFFECTIVE DATE.—The amendment made by
9 this section shall apply to failures to file returns or notices
10 for 2 consecutive years if the return or notice for the sec-
11 ond year is required to be filed after December 31, 2018.

12 **Subtitle C—Tax Court**

13 **SEC. 3301. DISQUALIFICATION OF JUDGE OR MAGISTRATE** 14 **JUDGE OF THE TAX COURT.**

15 (a) IN GENERAL.—Part II of subchapter C of chap-
16 ter 76 is amended by adding at the end the following new
17 section:

18 **“SEC. 7467. DISQUALIFICATION OF JUDGE OR MAGISTRATE** 19 **JUDGE OF THE TAX COURT.**

20 “Section 455 of title 28, United States Code, shall
21 apply to judges and magistrate judges of the Tax Court
22 and to proceedings of the Tax Court.”.

23 (b) CLERICAL AMENDMENT.—The table of sections
24 for such part is amended by adding at the end the fol-
25 lowing new item:

“Sec. 7467. Disqualification of judge or magistrate judge of the Tax Court.”.

1 **SEC. 3302. OPINIONS AND JUDGMENTS.**

2 (a) IN GENERAL.—Section 7459 is amended by strik-
3 ing all the precedes subsection (c) and inserting the fol-
4 lowing:

5 **“SEC. 7459. OPINIONS AND JUDGMENTS.**

6 “(a) REQUIREMENT.—An opinion upon any pro-
7 ceeding instituted before the Tax Court and a judgment
8 thereon shall be made as quickly as practicable. The judg-
9 ment shall be made by a judge in accordance with the
10 opinion of the Tax Court, and such judgment so made
11 shall, when entered, be the judgment of the Tax Court.

12 “(b) INCLUSION OF FINDINGS OF FACT IN OPIN-
13 ION.—It shall be the duty of the Tax Court and of each
14 division to include in its opinion or memorandum opinion
15 upon any proceeding, its findings of fact. The Tax Court
16 shall issue in writing all of its findings of fact, opinions,
17 and memorandum opinions. Subject to such conditions as
18 the Tax Court may by rule provide, the requirements of
19 this subsection and of section 7460 are met if findings
20 of fact or opinion are stated orally and recorded in the
21 transcript of the proceedings.”.

22 (b) REFERENCES.—Section 7459 is amended by re-
23 designating subsection (g) as subsection (h) and by insert-
24 ing after subsection (f) the following new subsection:

25 “(g) REFERENCES.—Any reference in this title to a
26 decision or report of the Tax Court shall be treated as

1 a reference to a judgment or opinion of the Tax Court,
2 respectively.”.

3 (c) CONFORMING AMENDMENT.—The item relating
4 to section 7459 in the table of sections for part II of sub-
5 chapter C of chapter 76 is amended to read as follows:

“Sec. 7459. Opinions and judgments.”.

6 (d) CONTINUING EFFECT OF LEGAL DOCUMENTS.—
7 All orders, decisions, reports, rules, permits, agreements,
8 grants, contracts, certificates, licenses, registrations, privi-
9 leges, and other administrative actions, in connection with
10 the Tax Court, which are in effect at the time this section
11 takes effect, or were final before the effective date of this
12 section and are to become effective on or after the effective
13 date of this section, shall continue in effect according to
14 their terms until modified, terminated, superseded, set
15 aside, or revoked in accordance with law by the Tax Court.

16 **SEC. 3303. TITLE OF SPECIAL TRIAL JUDGE CHANGED TO**
17 **MAGISTRATE JUDGE OF THE TAX COURT.**

18 (a) IN GENERAL.—Section 7443A is amended—

19 (1) by striking “special trial judges” in sub-
20 sections (a) and (e) and inserting “magistrate
21 judges of the Tax Court”,

22 (2) by striking “special trial judges of the
23 court” in subsection (b) and inserting “magistrate
24 judges of the Tax Court”, and

1 (3) by striking “special trial judge” in sub-
2 sections (c) and (d) and inserting “magistrate judge
3 of the Tax Court”.

4 (b) CONFORMING AMENDMENTS.—

5 (1) The heading of section 7443A is amended
6 by striking “**SPECIAL TRIAL JUDGES**” and insert-
7 ing “**MAGISTRATE JUDGES OF THE TAX**
8 **COURT**”.

9 (2) The heading of section 7443A(b) is amend-
10 ed by striking “SPECIAL TRIAL JUDGES” and insert-
11 ing “MAGISTRATE JUDGES OF THE TAX COURT”.

12 (3) The item relating to section 7443A in the
13 table of sections for part I of subchapter C of chap-
14 ter 76 is amended to read as follows:

“Sec. 7443A. Magistrate judges of the Tax Court.”.

15 (4) The heading of section 7448 is amended by
16 striking “**SPECIAL TRIAL JUDGES**” and inserting
17 “**MAGISTRATE JUDGES OF THE TAX COURT**”.

18 (5) Section 7448 is amended—

19 (A) by striking “special trial judge’s” each
20 place it appears in subsections (a)(6), (c)(1),
21 (d), and (m)(1) and inserting “magistrate judge
22 of the Tax Court’s”, and

23 (B) by striking “special trial judge” each
24 place it appears other than in subsection (n)

1 and inserting “magistrate judge of the Tax
2 Court”.

3 (6) Section 7448(n) is amended—

4 (A) by striking “special trial judge which
5 are allowable” and inserting “magistrate judge
6 of the Tax Court which are allowable”, and

7 (B) by striking “special trial judge of the
8 Tax Court” both places it appears and inserting
9 “magistrate judge of the Tax Court”.

10 (7) The heading of section 7448(b)(2) is
11 amended by striking “SPECIAL TRIAL JUDGES” and
12 inserting “MAGISTRATE JUDGES OF THE TAX
13 COURT”.

14 (8) The item relating to section 7448 in the
15 table of sections for part I of subchapter C of chap-
16 ter 76 is amended to read as follows:

“Sec. 7448. Annuities to surviving spouses and dependent children of judges
and magistrate judges of the Tax Court.”.

17 (9) Section 7456(a) is amended—

18 (A) by striking “special trial judge” each
19 place it appears and inserting “magistrate
20 judge”, and

21 (B) by striking “(or by the clerk” and in-
22 serting “of the Tax Court (or by the clerk”.

1 (10) Section 7466(a) is amended by striking
2 “special trial judge” and inserting “magistrate
3 judge”.

4 (11) Section 7470A is amended by striking
5 “special trial judges” both places it appears in sub-
6 sections (a) and (b) and inserting “magistrate
7 judges”.

8 (12) Section 7471(a)(2)(A) is amended by
9 striking “special trial judges” and inserting “mag-
10 istrate judges”.

11 (13) Section 7471(c) is amended—

12 (A) by striking “SPECIAL TRIAL JUDGES”
13 in the heading and inserting “MAGISTRATE
14 JUDGES OF THE TAX COURT”, and

15 (B) by striking “special trial judges” and
16 inserting “magistrate judges”.

17 **SEC. 3304. REPEAL OF DEADWOOD RELATED TO BOARD OF**
18 **TAX APPEALS.**

19 (a) Section 7459, as amended by this Act, is amended
20 by striking subsection (f) and by redesignating subsections
21 (g) and (h) as subsections (f) and (g), respectively.

22 (b) Section 7447(a)(3) is amended to read as follows:

23 “(3) In any determination of length of service
24 as judge or as a judge of the Tax Court of the
25 United States there shall be included all periods

- 1 (whether or not consecutive) during which an indi-
- 2 vidual served as judge.”.

