



JOINT COMMITTEE ON TAXATION

April 27, 2016

JCX-40-16

**DESCRIPTION OF AN AMENDMENT IN THE NATURE OF
A SUBSTITUTE TO THE PROVISIONS OF H.R. 3832, THE
“STOLEN IDENTITY REFUND FRAUD PREVENTION ACT OF 2015”**

The Chairman’s amendment in the nature of a substitute changes the short title to the “Stolen Identity Refund Fraud Prevention Act of 2016.”

The Chairman’s amendment in the nature of a substitute deletes sections 2, 5, 8 and 9 from H.R. 3832 in their entirety.

Section 4 of the Chairman’s amendment in the nature of a substitute replaces section 6 of the underlying bill with a requirement that within 180 days of enactment the Secretary submit a feasibility study of a program under which a taxpayer who is a victim of identity theft may elect to prevent electronic submission of a return by or on behalf of that taxpayer rather than implementing such a program.

The Chairman’s amendment in the nature of a substitute replaces section 8 of the bill with a new section 6 that requires that the Secretary, in order to help prevent identity theft, to make use of information gathered under the Do Not Pay initiative, established by the Secretary under section 5 of the Improper Payments Elimination and Recovery Improvement Act of 2012.

The Chairman’s amendment revises the requirement that the Secretary submit biannual reports on identity theft by providing that the biannual reports are due through September 30, 2023; by deleting the proposal regarding information on multiple refunds to the same financial account; by adding the requirement that each report include information on both the average and maximum amounts of time that elapsed in the cases of victims of such fraud were resolved; by replacing the requirement that the report identify the need for any further legislation to protect taxpayer resources and information with the requirement that the report identify the need for any further legislation to protect taxpayer identities; and by adding a requirement that the first report include (1) an assessment of the agency’s progress on identity theft outreach and education to the private sector, State agencies, and external organizations; and (2) the results of a feasibility study on the costs and benefits to enhancing its taxpayer authentication approach to the electronic tax return filing process.

The Chairman’s amendment also requires the Secretary to establish an information sharing and analysis center (“ISAC”) to facilitate sharing data and information with respect to identity theft, and to submit a report on the data shared and results achieved by the ISAC no later than one year after the ISAC is established.

The proposal is estimated to have no effect on Federal fiscal year budget receipts for the period 2016-2026. The extent to which the proposal may increase or decrease Federal outlays for the same period 2016-2026 has not been estimated. In accordance with section 402 of the Budget Act, the Congressional Budget Office has jurisdiction to estimate the effect on direct or discretionary spending.