

117TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

To amend the Internal Revenue Code of 1986 to establish a free on-line tax preparation and filing service and programs that allow taxpayers to access third-party provided tax return information and information held by the Internal Revenue Service.

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IN THE SENATE OF THE UNITED STATES

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Ms. WARREN (for herself, Mrs. SHAHEEN, Mr. WHITEHOUSE, Ms. BALDWIN, Mr. SANDERS, Mr. BLUMENTHAL, Mr. MARKEY, Ms. DUCKWORTH, Ms. HASSAN, Mr. MERKLEY, Mr. BOOKER, Mr. LEAHY, Mr. PADILLA, Mrs. FEINSTEIN, Mrs. GILLIBRAND, Mr. SCHATZ, Mr. KAINE, Ms. SMITH, Ms. KLOBUCHAR, Mr. CASEY, Ms. STABENOW, Mr. KING, and Ms. HIRONO) introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

To amend the Internal Revenue Code of 1986 to establish a free on-line tax preparation and filing service and programs that allow taxpayers to access third-party provided tax return information and information held by the Internal Revenue Service.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tax Filing Simplifica-  
5 tion Act of 2022”.

1 **SEC. 2. PROHIBITION ON AGREEMENTS RESTRICTING GOV-**  
2 **ERNMENT TAX PREPARATION AND FILING**  
3 **SERVICES.**

4 The Secretary of the Treasury, or the Secretary's del-  
5 egate, may not enter into any agreement after the date  
6 of the enactment of this Act which restricts the Sec-  
7 retary's legal right to provide tax return preparation serv-  
8 ices or software or to provide tax return filing services.

9 **SEC. 3. GOVERNMENT-ASSISTED TAX PREPARATION AND**  
10 **FILING SERVICES.**

11 (a) IN GENERAL.—Chapter 77 of the Internal Rev-  
12 enue Code of 1986 is amended by adding at the end the  
13 following new section:

14 **“SEC. 7531. GOVERNMENT-ASSISTED TAX-RETURN PREPA-**  
15 **RATION PROGRAMS.**

16 “(a) ESTABLISHMENT OF PROGRAMS.—The Sec-  
17 retary shall establish and operate the following programs:

18 “(1) SIMPLIFIED TAX BENEFITS PORTAL FOR  
19 NON-FILERS.—Not later than March 1, 2023, a pro-  
20 gram through which any eligible taxpayer (as de-  
21 fined in subsection (b)(1)) can claim any credit al-  
22 lowed under subpart C of part IV of subchapter A  
23 of chapter 1 (including the earned income tax credit  
24 under section 32 and the portion of the child tax  
25 credit allowed under section 24(d)) for the taxable

1 year without being required to report any additional  
2 income data to the Internal Revenue Service.

3 “(2) ONLINE TAX PREPARATION AND FILING  
4 SOFTWARE.—Not later than January 31, 2024, soft-  
5 ware for the preparation and filing of individual in-  
6 come tax returns for taxable years beginning after  
7 2022.

8 “(3) TAXPAYER DATA ACCESS.—Not later than  
9 March 1, 2024, a program under which taxpayers  
10 may download third-party provided return informa-  
11 tion and IRS-held information relating to individual  
12 income tax returns for taxable years beginning after  
13 2022.

14 “(4) EXPEDITED TAX FILING.—Not later than  
15 March 1, 2024, a program under which eligible indi-  
16 viduals (as defined in subsection (e)(1)) may elect to  
17 have income tax returns for taxable years beginning  
18 after 2022 prepared by the Secretary.

19 “(b) SIMPLIFIED TAX BENEFITS PORTAL FOR NON-  
20 FILERS.—

21 “(1) ELIGIBLE TAXPAYER.—

22 “(A) IN GENERAL.—For purposes of sub-  
23 section (a)(1), the term ‘eligible taxpayer’  
24 means a taxpayer who is not required to file a  
25 return of tax for the taxable year.



1 “(iv) be accessible on mobile devices,

2 “(v) conform to all guidelines under  
3 section 508 of the Rehabilitation Act of  
4 1973 (29 U.S.C. 794d),

5 “(vi) be available for use by taxpayers  
6 throughout the calendar year,

7 “(vii) be displayed in a prominent po-  
8 sition on the website of the Internal Rev-  
9 enue Service,

10 “(viii) be advertised through direct  
11 mailings, and

12 “(ix) provide real-time feedback to  
13 taxpayers using the program and, in the  
14 case of a claim for any credit described in  
15 subsection (a)(1) which is not allowed to  
16 the taxpayer, provide additional informa-  
17 tion to the taxpayer on subsequent actions  
18 with respect to such claim.

19 “(B) EXCEPTION.—Subparagraph (A)(i)  
20 shall not apply with respect to any information  
21 relating to demographic characteristics which—

22 “(i) is collected by the Internal Rev-  
23 enue Service for the purposes of improving  
24 equity, and

1                   “(ii) is not required to be submitted  
2                   by the taxpayer for purposes of using the  
3                   program described in subsection (a)(1).

4                   “(3) DETERMINATION OF CREDIT AMOUNT.—

5                   “(A) IN GENERAL.—For purposes of deter-  
6                   mining the amount of any credit described in  
7                   subsection (a)(1), the Secretary shall determine  
8                   such amount based on—

9                   “(i) any information which the tax-  
10                  payer elects to provide through the pro-  
11                  gram described in such subsection, and

12                  “(ii) any information available to the  
13                  Internal Revenue Service at the time that  
14                  the taxpayer is claiming such credit  
15                  through the program described in such  
16                  subsection.

17                  “(B) SUBSEQUENT THIRD-PARTY INFOR-  
18                  MATION.—In the case of any third-party pro-  
19                  vided return information which is received by  
20                  the Secretary after any determination made  
21                  under subparagraph (A) with respect to a tax-  
22                  payer, if such information would have resulted  
23                  in an increase in the amount of any credit de-  
24                  scribed in subsection (a)(1) had it been in-  
25                  cluded in the prior determination made under

1           such subparagraph, the Secretary may make a  
2           payment to the taxpayer in an amount equal to  
3           the difference between—

4                   “(i) the amount determined under  
5                   subparagraph (A) with respect to such  
6                   credit prior to receipt of such information,  
7                   and

8                   “(ii) the amount that would have oth-  
9                   erwise been determined under subpara-  
10                  graph (A) if such subparagraph had been  
11                  applied subsequent to the receipt of such  
12                  information.

13           “(c) REQUIREMENTS FOR ONLINE TAX PREPARA-  
14           TION AND FILING SOFTWARE.—The software described in  
15           subsection (a)(2) shall—

16                   “(1) satisfy the requirements described in sub-  
17                   section (b)(2), except that, for purposes of subpara-  
18                   graph (A)(i)(I) of such subsection, such subpara-  
19                   graph shall be applied by substituting ‘the prepara-  
20                   tion and filing of an individual income tax return’  
21                   for ‘determining the amount of any credit described  
22                   in subsection (a)(1)’, and

23                   “(2) be compatible with the program described  
24                   in subsection (a)(1) so as to permit a taxpayer to—

1           “(A) submit any required information once  
2           for use by both programs, and

3           “(B) based on such information, be di-  
4           rected to the appropriate program.

5           “(d) REQUIREMENTS FOR TAXPAYER DATA ACCESS  
6 PROGRAM.—Return information under the program estab-  
7 lished under subsection (a)(3) shall be made available—

8           “(1) for any calendar year beginning after De-  
9           cember 31, 2024, not later than 15 days after the  
10          Secretary receives such information, and

11          “(2) through a secure function that allows a  
12          taxpayer to download such information from the  
13          website of the Internal Revenue Service in both a  
14          printable document file and in a computer-readable  
15          form suitable for use by automated tax preparation  
16          software.

17          “(e) EXPEDITED TAX FILING.—

18          “(1) ELIGIBLE INDIVIDUAL.—For purposes of  
19          the program established under subsection (a)(4)—

20                 “(A) IN GENERAL.—Except as provided in  
21                 subparagraphs (B) and (C), the term ‘eligible  
22                 individual’ means, with respect to any taxable  
23                 year, any individual who—

24                         “(i) elects to participate in the pro-  
25                         gram established under subsection (a)(4),

1 “(ii) does not claim any deduction al-  
2 lowed under section 62 for purposes of de-  
3 termining adjusted gross income,

4 “(iii) claims the standard deduction  
5 under section 63,

6 “(iv) does not file schedule C, and

7 “(v) has no income other than income  
8 from—

9 “(I) wages (as defined in section  
10 3401),

11 “(II) interest, or

12 “(III) dividends.

13 “(B) LIMITATION ON ELIGIBILITY FOR  
14 TAX YEAR 2023.—With respect to any taxable  
15 year beginning in 2023, the term ‘eligible indi-  
16 vidual’ shall only include such populations of in-  
17 dividuals described in subparagraph (A) as is  
18 determined by the Secretary.

19 “(C) EXPANSION OF ELIGIBILITY AFTER  
20 TAX YEAR 2023.—

21 “(i) IN GENERAL.—At the discretion  
22 of the Secretary, with respect to any tax-  
23 able year beginning after 2023, the term  
24 ‘eligible individual’ may include popu-  
25 lations of individuals who would not other-

1 wise satisfy the requirements established  
2 under subparagraph (A).

3 “(ii) REPORT.—Not later than August  
4 31, 2025, the Secretary shall submit a re-  
5 port to Congress that contains rec-  
6 ommendations for such legislative or ad-  
7 ministrative actions as the Secretary deter-  
8 mines necessary with respect to expanding  
9 the populations of individuals that may  
10 qualify as eligible individuals for purposes  
11 of the program established under sub-  
12 section (a)(4).

13 “(2) RETURN MUST BE FILED BY INDI-  
14 VIDUAL.—No return prepared under the program es-  
15 tablished under subsection (a)(4) shall be treated as  
16 filed before the date such return is submitted by the  
17 taxpayer as provided under the rules of section  
18 6011.

19 “(3) INTERACTION WITH SOFTWARE.—Not  
20 later than March 1, 2024, the Secretary shall pro-  
21 vide for interaction between the software described  
22 in subsection (a)(2) and the program established  
23 under subsection (a)(4) such that an individual may  
24 elect to have their income tax return partially pre-  
25 pared by the Secretary pursuant to such subsection

1 (based on such information as is available to the  
2 Secretary) and made available through the software  
3 described in subsection (a)(2) for the individual to  
4 complete and file.

5 “(f) VERIFICATION OF IDENTITY.—

6 “(1) IN GENERAL.—An individual shall not par-  
7 ticipate in any program described in subsection (a)  
8 or access any information under such a program un-  
9 less such individual has verified their identity to the  
10 satisfaction of the Secretary.

11 “(2) ACCESSIBILITY.—For purposes of  
12 verifying the identity of any individual seeking to  
13 participate in any program described in subsection  
14 (a) or to access any information under any such pro-  
15 gram, the Secretary shall ensure that—

16 “(A) any verification procedures are acces-  
17 sible to a significant majority of taxpayers, and

18 “(B) for any taxpayer who cannot access  
19 or use such verification procedures, a secondary  
20 verification procedure (or multiple secondary  
21 verification procedures) that is accessible by  
22 such taxpayer, including in-person verification  
23 procedures.

24 “(3) ONLINE VERIFICATION.—Not later than 3  
25 years after the date of enactment of this section, the

1 Secretary shall ensure that any verification proce-  
2 dures established under this section are able to be  
3 used successfully by—

4 “(A) 70 percent of households in the  
5 United States, and

6 “(B) 80 percent of taxpayers who are eligi-  
7 ble to claim the earned income tax credit under  
8 section 32.

9 “(4) STUDY AND REPORT.—Not later than 3  
10 years after the date of enactment of this section,  
11 and annually thereafter, the Secretary shall conduct  
12 a study and make publicly available a report on the  
13 verification pass rates by taxpayers under this sec-  
14 tion, with such information to be disaggregated by  
15 income levels and subpopulation groups, including  
16 disadvantaged populations such as—

17 “(A) individuals without access to desktop  
18 or laptop computers,

19 “(B) individuals without internet service at  
20 home,

21 “(C) individuals without credit histories,

22 “(D) individuals experiencing homeless-  
23 ness, and

24 “(E) individuals with limited English pro-  
25 ficiency.

1       “(g) OTHER DEFINITIONS.—For purposes of this  
2 section—

3           “(1) IRS-HELD INFORMATION.—The term  
4 ‘IRS-held information’ means—

5               “(A) any information relating to payments  
6 made to a taxpayer with respect to any credit  
7 allowed under subpart C of part IV of sub-  
8 chapter A of chapter 1, and

9               “(B) any other information, as identified  
10 and determined appropriate by the Secretary  
11 for the purposes of this section, which—

12                   “(i) is contained in the records of the  
13 Internal Revenue Service or to which the  
14 Internal Revenue Service has access, and

15                   “(ii) is not third-party provided return  
16 information.

17           “(2) THIRD-PARTY PROVIDED RETURN INFOR-  
18 MATION.—The term ‘third-party provided return in-  
19 formation’ means—

20               “(A) information reported to the Secretary  
21 through an information return (as defined in  
22 section 6724(d)(1)),

23               “(B) information reported to the Secretary  
24 pursuant to section 232 of the Social Security  
25 Act, and

1           “(C) such other information reported to  
2           the Secretary as is determined appropriate by  
3           the Secretary for purposes of—

4                   “(i) the program established under  
5                   subsection (a)(2), and

6                   “(ii) any determination described in  
7                   subsection (b)(3)(B).

8           “(h) TAXPAYER RESPONSIBILITY.—Nothing in this  
9           section shall be construed to absolve the taxpayer from  
10          full responsibility for the accuracy or completeness of their  
11          return of tax.

12          “(i) PROHIBITION ON FEES.—No fee may be imposed  
13          on any taxpayer who participates in any program estab-  
14          lished under subsection (a).

15          “(j) INFORMATION PROVIDED FOR WAGE AND SELF-  
16          EMPLOYMENT INCOME.—For purposes of subsection  
17          (a)(3), in the case of information relating to wages paid  
18          for any calendar year after 2022 required to be provided  
19          to the Commissioner of Social Security under section  
20          205(c)(2)(A) of the Social Security Act (42 U.S.C.  
21          405(c)(2)(A)), the Commissioner shall make such infor-  
22          mation available to the Secretary not later than the Feb-  
23          ruary 15 of the calendar year following the calendar year  
24          to which such wages and self-employment income relate.

25          “(k) OUTREACH CAMPAIGN.—

1           “(1) IN GENERAL.—The Secretary, in coordina-  
2           tion with local community-based organizations, shall  
3           conduct an outreach campaign to—

4                   “(A) provide information to the public re-  
5                   garding the programs and software described in  
6                   subsection (a), and

7                   “(B) enroll individuals in the programs de-  
8                   scribed in such subsection.

9           “(2) METHODS.—With respect to the outreach  
10          campaign described in paragraph (1), the Secretary  
11          shall—

12                   “(A) provide relevant information on the  
13                   public website of the Internal Revenue Service,  
14                   and

15                   “(B) send direct mailings to individuals  
16                   who have been identified as not having filed a  
17                   return of tax for the taxable year.

18          “(l) STATE INCOME TAX RETURNS.—Subject to any  
19          applicable requirements under section 6103, the Secretary  
20          shall establish intergovernmental cooperative agreements  
21          with State and local governments to exchange taxpayer re-  
22          turn information which is provided, imputed, calculated,  
23          or used to make calculations under the programs described  
24          in subsection (a) for purposes of the administration of

1 State and local tax laws and the preparation of State in-  
2 come tax returns.”.

3 (b) FILING DEADLINE FOR INFORMATION RE-  
4 TURNS.—Section 6071(b) of such Code is amended to  
5 read as follows:

6 “(b) INFORMATION RETURNS.—Returns made under  
7 part III of this chapter shall be filed on or before January  
8 31 of the year following the calendar year to which such  
9 returns relate. Section 6081 shall not apply to returns  
10 under such part III.”.

11 (c) CONFORMING AMENDMENT TO SOCIAL SECURITY  
12 ACT.—Section 205(c)(2)(A) of the Social Security Act (42  
13 U.S.C. 405(c)(2)(A)) is amended by adding at the end the  
14 following new sentence: “For purposes of the preceding  
15 sentence, the Commissioner shall require that information  
16 relating to wages paid be provided to the Secretary of the  
17 Treasury not later than February 15 of the year following  
18 the calendar year to which such wages and self-employ-  
19 ment income relate.”.

20 (d) CLERICAL AMENDMENT.—The table of sections  
21 for chapter 77 of such Code is amended by adding at the  
22 end the following new item:

“Sec. 7531. Government-assisted tax-return preparation programs.”.

23 (e) AUTHORIZATION OF APPROPRIATIONS.—There is  
24 authorized to be appropriated to carry out the amend-

1 ments made by this section such sums as may be necessary  
2 for each of fiscal years 2022 through 2026.

3 (f) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to returns for taxable years begin-  
5 ning after December 31, 2021.