

119<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 3715

To amend the Internal Revenue Code of 1986 to clarify that wages paid to unauthorized aliens may not be deducted from gross income, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2025

Mr. GILL of Texas (for himself, Mr. NEHLS, Mr. MCCLINTOCK, Mr. GOSAR, Ms. BOEBERT, Mr. WEBER of Texas, Mr. NORMAN, Mr. ROY, Mr. CRANE, Mr. MOORE of Alabama, Mr. HARRIS of North Carolina, Mr. PERRY, Ms. MACE, and Mrs. BIGGS of South Carolina) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on the Judiciary, and Education and Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to clarify that wages paid to unauthorized aliens may not be deducted from gross income, and for other purposes.

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 “New Illegal Deduction  
5 Elimination Act” or the “New IDEA Act”.

1 **SEC. 2. CLARIFICATION THAT WAGES PAID TO UNAUTHOR-**  
2 **IZED ALIENS MAY NOT BE DEDUCTED FROM**  
3 **GROSS INCOME.**

4 (a) IN GENERAL.—Subsection (c) of section 162 of  
5 the Internal Revenue Code of 1986 (relating to illegal  
6 bribes, kickbacks, and other payments) is amended by  
7 adding at the end the following new paragraph:

8 “(4) WAGES PAID TO OR ON BEHALF OF UNAU-  
9 THORIZED ALIENS.—

10 “(A) IN GENERAL.—No deduction shall be  
11 allowed under subsection (a) for any wage paid  
12 to or on behalf of an unauthorized alien, as de-  
13 fined under section 274A(h)(3) of the Immigra-  
14 tion and Nationality Act (8 U.S.C.  
15 1324a(h)(3)).

16 “(B) WAGES.—For the purposes of this  
17 paragraph, the term ‘wages’ means all remu-  
18 neration for employment, including the cash  
19 value of all remuneration (including benefits)  
20 paid in any medium other than cash.

21 “(C) SAFE HARBOR.—If a person or other  
22 entity is participating in the E-Verify Program  
23 described in section 403(a) of the Illegal Immi-  
24 gration Reform and Immigrant Responsibility  
25 Act of 1996 (8 U.S.C. 1324a note) and obtains  
26 confirmation of identity and employment eligi-

1           bility in compliance with the terms and condi-  
2           tions of the program with respect to the hiring  
3           (or recruitment or referral) of an employee,  
4           subparagraph (A) shall not apply with respect  
5           to wages paid to such employee.

6           “(D) BURDEN OF PROOF.—In the case of  
7           any examination of a return in connection with  
8           a deduction under this section by reason of this  
9           paragraph, the Secretary shall bear the burden  
10          of proving that wages were paid to or on behalf  
11          of an unauthorized alien.

12          “(E) LIMITATION ON TAXPAYER AUDIT.—  
13          The Secretary may not commence an audit or  
14          other investigation of a taxpayer solely on the  
15          basis of a deduction taken under this section by  
16          reason of this paragraph.”.

17          (b) SIX-YEAR LIMITATION ON ASSESSMENT AND  
18          COLLECTION.—Subsection (c) of section 6501 of the In-  
19          ternal Revenue Code of 1986 (relating to exceptions) is  
20          amended by adding at the end the following new para-  
21          graph:

22          “(13) DEDUCTION CLAIMED FOR WAGES PAID  
23          TO UNAUTHORIZED ALIENS.—In the case of a return  
24          of tax on which a deduction is shown in violation of  
25          section 162(c)(4), any tax under chapter 1 may be

1 assessed, or a proceeding in court for the collection  
2 of such tax may be begun without assessment, at  
3 any time within 6 years after the return was filed.”.

4 (c) USE OF DOCUMENTATION FOR ENFORCEMENT  
5 PURPOSES.—Section 274A of the Immigration and Na-  
6 tionality Act (8 U.S.C. 1324a) is amended—

7 (1) in subparagraph (b)(5), by inserting “, sec-  
8 tion 162(c)(4) of the Internal Revenue Code of  
9 1986,” after “enforcement of this Act”;

10 (2) in subparagraph (d)(2)(F), by inserting “,  
11 section 162(c)(4) of the Internal Revenue Code of  
12 1986,” after “enforcement of this Act”; and

13 (3) in subparagraph (d)(2)(G), by inserting  
14 “section 162(c)(4) of the Internal Revenue Code of  
15 1986 or” after “or enforcement of”.

16 (d) AVAILABILITY OF INFORMATION.—

17 (1) IN GENERAL.—The Commissioner of Social  
18 Security, the Secretary of the Department of Home-  
19 land Security, and the Secretary of the Treasury,  
20 shall jointly establish a program to share informa-  
21 tion among such agencies that may or could lead to  
22 the identification of unauthorized aliens (as defined  
23 under section 274A(h)(3) of the Immigration and  
24 Nationality Act), including any no-match letter, any  
25 information in the earnings suspense file, and any

1 information in the investigation and enforcement of  
2 section 162(c)(4) of the Internal Revenue Code of  
3 1986.

4 (2) DISCLOSURE BY SECRETARY OF THE  
5 TREASURY.—

6 (A) IN GENERAL.—Subsection (i) of sec-  
7 tion 6103 of the Internal Revenue Code of 1986  
8 is amended by adding at the end the following  
9 new paragraph:

10 “(9) PAYMENT OF WAGES TO UNAUTHORIZED  
11 ALIENS.—Upon request from the Commissioner of  
12 the Social Security Administration or the Secretary  
13 of the Department of Homeland Security, the Sec-  
14 retary shall disclose to officers and employees of  
15 such Administration or Department—

16 “(A) taxpayer identity information of em-  
17 ployers who paid wages with respect to which a  
18 deduction was not allowed by reason of section  
19 162(c)(4), and

20 “(B) taxpayer identity information of indi-  
21 viduals to whom such wages were paid,  
22 for purposes of carrying out any enforcement activi-  
23 ties of such Administration or Department with re-  
24 spect to such employers or individuals.”.

1 (B) RECORDKEEPING.—Paragraph (4) of  
2 section 6103(p) of such Code is amended—

3 (i) by striking “(5), or (7)” in the  
4 matter preceding subparagraph (A) and in-  
5 serting “(5), (7), or (9)”, and

6 (ii) by striking “(5) or (7)” in sub-  
7 paragraph (F)(ii) and inserting “(5), (7),  
8 or (9)”.

9 (e) EFFECTIVE DATE.—

10 (1) Except as provided in paragraph (2), this  
11 Act and the amendments made by this Act shall  
12 take effect on the date of the enactment of this Act.

13 (2) The amendments made by subsections (a)  
14 and (b) shall apply to taxable years beginning after  
15 December 31, 2024.

16 **SEC. 3. MODIFICATION OF E-VERIFY PROGRAM.**

17 (a) MAKING PERMANENT.—Subsection (b) of section  
18 401 of the Illegal Immigration Reform and Immigrant Re-  
19 sponsibility Act of 1996 (8 U.S.C. 1324a note) is amended  
20 by striking the last sentence.

21 (b) APPLICATION TO CURRENT EMPLOYEES.—

22 (1) VOLUNTARY ELECTION.—The first sentence  
23 of section 402(a) of such Act is amended to read as  
24 follows: “Any person or other entity that conducts  
25 any hiring (or recruitment or referral) in a State or

1 employs any individuals in a State may elect to par-  
2 ticipate in the E-Verify Program.”.

3 (2) BENEFIT OF REBUTTABLE PRESUMP-  
4 TION.—Paragraph (1) of section 402(b) of such Act  
5 is amended by adding at the end the following: “If  
6 a person or other entity is participating in the E-  
7 Verify Program and obtains confirmation of identity  
8 and employment eligibility in compliance with the  
9 terms and conditions of the program with respect to  
10 individuals employed by the person or entity, the  
11 person or entity has established a rebuttable pre-  
12 sumption that the person or entity has not violated  
13 section 274A(a)(2) with respect to such individ-  
14 uals.”.

15 (3) SCOPE OF ELECTION.—Subparagraph (A)  
16 of section 402(e)(2) of such Act is amended to read  
17 as follows:

18 “(A) IN GENERAL.—Any electing person or  
19 other entity may provide that the election under  
20 subsection (a) shall apply (during the period in  
21 which the election is in effect)—

22 “(i) to all its hiring (and all recruit-  
23 ment or referral);

1           “(ii) to all its hiring (and all recruit-  
2           ment or referral and all individuals em-  
3           ployed by the person or entity);

4           “(iii) to all its hiring (and all recruit-  
5           ment or referral) in one or more States or  
6           one or more places of hiring (or recruit-  
7           ment or referral, as the case may be); or

8           “(iv) to all its hiring (and all recruit-  
9           ment or referral and all individuals em-  
10          ployed by the person or entity) in one or  
11          more States or one or more place of hiring  
12          (or recruitment or referral or employment,  
13          as the case may be).”.

14           (4) PROCEDURES FOR PARTICIPANTS IN E-  
15          VERIFY PROGRAM.—Subsection (a) of section 403 of  
16          such Act is amended—

17                   (A) in the matter preceding paragraph (1),  
18                   by inserting “or continued employment in the  
19                   United States” after “United States”; and

20                   (B) in paragraph (3)—

21                           (i) in subparagraph (A), by striking  
22                           all that follows “(as specified by the Sec-  
23                           retary of Homeland Security)” and insert-  
24                           ing “after the date of the hiring, or re-  
25                           cruitment or referral, in the case of inquir-

1           ies made pursuant to a hiring, recruitment  
2           or referral (and not of previously hired in-  
3           dividuals).”; and

4                   (ii) in subparagraph (B), by striking  
5           “such 3 working days” and inserting “the  
6           specified period”.

7           (c) APPLICATION TO JOB APPLICANTS.—Section  
8 402(c)(2) of such Act is amended by adding at the end  
9 the following:

10                   “(C) JOB OFFER MAY BE MADE CONDI-  
11           TIONAL ON FINAL CONFIRMATION BY E-  
12           VERIFY.—A person or other entity that elects to  
13           participate in the E-Verify Program may offer  
14           a prospective employee an employment position  
15           conditioned on final verification of the identity  
16           and employment eligibility of the employee  
17           using the employment eligibility confirmation  
18           system established under section 404.”.

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