IB

Union Calendar No. 272

119TH CONGRESS
1ST SESSION

H. R. 5346

[Report No. 119–318]

To amend the Internal Revenue Code of 1986 to reform certain penalty and interest provisions.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 15, 2025

Mr. GROTHMAN introduced the following bill; which was referred to the Committee on Ways and Means

SEPTEMBER 30, 2025

Additional sponsor: Mr. SMITH of Nebraska

SEPTEMBER 30, 2025

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on September 15, 2025]

A BILL

To amend the Internal Revenue Code of 1986 to reform certain penalty and interest provisions.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Fair and Accountable IRS Reviews Act".

SEC. 2. PROCEDURAL REQUIREMENTS FOR ASSESSMENT OF PENALTIES.

(a) APPROVAL OF ASSESSMENT.—Section 6751(b)(1) of the Internal Revenue Code of 1986 is amended to read as follows:

"(1) IN GENERAL.—No penalty under this title shall be assessed or entered unless, before any written communication with respect to such penalty (including proposal of a penalty as an adjustment) is sent to the taxpayer, the initial determination of such assessment is personally approved (in writing) by the immediate supervisor of the individual making such determination or such higher level official as the Secretary may designate.".

(b) IMMEDIATE SUPERVISOR DEFINED.—Section 6751(b) of such Code is amended by adding at the end the following new paragraph:

"(3) IMMEDIATE SUPERVISOR.—For purposes of this subsection, the term 'immediate supervisor' means, with respect to an individual making a deter-

mination under paragraph (1), the person to whom such individual reports.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to notices issued, and penalties assessed, after December 31, 2025.

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