

119TH CONGRESS  
1ST SESSION

# H. R. 6323

To amend the Internal Revenue Code of 1986 to penalize improper compliance with certain taxpayer requirements, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 28, 2025

Mr. PANETTA (for himself and Mr. STEUBE) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to penalize improper compliance with certain taxpayer requirements, 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; ETC.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Taxpayer Protection and Preparer Proficiency Act”.

6       (b) REFERENCES TO INTERNAL REVENUE CODE.—

7       Except as otherwise expressly provided, whenever in this  
8       Act an amendment is expressed in terms of an amendment  
9       to a section or other provision, the reference shall be con-

1 sidered to be made to a section or other provision of the  
2 Internal Revenue Code of 1986.

3 (c) REFERENCES TO SECRETARY.—For purposes of  
4 this Act, the term “Secretary” means the Secretary of the  
5 Treasury or the Secretary’s delegate.

6 **SEC. 2. PENALTIES FOR TAX RETURN PREPARERS WHO IM-**  
7 **PROPERLY ALTER RETURNS.**

8 (a) IN GENERAL.—Paragraph (1) of section 6696(e)  
9 is amended to read as follows:

10 “(1) RETURN.—The term ‘return’ means—

11 “(A) any return of any tax imposed by this  
12 title,

13 “(B) any administrative adjustment re-  
14 quest under section 6227,

15 “(C) any partnership adjustment tracking  
16 report under section 6226(b)(4)(A), and

17 “(D) any other document purporting to be  
18 a return, request, or report described in sub-  
19 paragraphs (A) through (C).”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall take effect on the date of enactment of  
22 this Act.

23 **SEC. 3. PENALTIES FOR INVALID OR APPROPRIATED PRE-**  
24 **PARER IDENTIFICATION NUMBERS.**

25 (a) IN GENERAL.—Section 6695 is amended—

1 (1) by striking subsection (c) and inserting the  
2 following:

3 “(c) FAILURE TO FURNISH VALID IDENTIFYING  
4 NUMBER.—

5 “(1) IN GENERAL.—

6 “(A) PENALTY.—Any person who is a tax  
7 return preparer with respect to any return or  
8 claim for refund and who fails to furnish an  
9 identifying number which complies with section  
10 6109(a)(4)(A) with respect to such return or  
11 claim shall pay a penalty of \$250 for such fail-  
12 ure.

13 “(B) NON-COMPLIANCE.—For purposes of  
14 this paragraph, an identifying number shall be  
15 deemed to not comply with section  
16 6109(a)(4)(A) if such identifying number—

17 “(i) is assigned to another person,

18 “(ii) does not exist,

19 “(iii) is inactive or expired,

20 “(iv) has been withdrawn,

21 “(v) is suspended or has been revoked,

22 or

23 “(vi) is otherwise invalid for use by  
24 the tax return preparer.

1           “(2) EXCEPTION.—The penalty imposed under  
2       paragraph (1) shall not apply if it is shown that  
3       such failure is due to reasonable cause and not due  
4       to willful neglect.

5           “(3) LIMITATION.—The maximum penalty im-  
6       posed under this subsection on any person with re-  
7       spect to documents filed during any calendar year  
8       shall not exceed \$75,000.”,

9           (2) by redesignating subsection (h) as sub-  
10      section (i),

11          (3) by inserting after subsection (g) the fol-  
12      lowing new subsection:

13      “(h) USE OF INVALID OR APPROPRIATED ELEC-  
14      TRONIC FILING IDENTIFICATION NUMBER.—

15          “(1) IN GENERAL.—Any person who is an elec-  
16      tronic return originator with respect to any return  
17      or claim for refund who fails to use, with respect to  
18      such return or claim, an electronic filing identifica-  
19      tion number which is assigned to such person by the  
20      Secretary, shall pay a penalty of \$250 for such fail-  
21      ure, unless it is shown that such failure is due to  
22      reasonable cause and not due to willful neglect.

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

25          “(A) ELECTRONIC RETURN ORIGINATOR.—

1 “(i) IN GENERAL.—The term ‘elec-  
2 tronic return originator’ means a person  
3 who originates the electronic submission of  
4 1 or more returns or claims for refund on  
5 behalf of other taxpayers.

6 “(ii) EXCEPTIONS.—The term ‘elec-  
7 tronic return originator’ shall not include a  
8 person merely because such person origi-  
9 nates an electronic submission described in  
10 clause (i)—

11 “(I) by furnishing mechanical as-  
12 sistance to a person described in such  
13 subclause,

14 “(II) at the direction of an em-  
15 ployer (or of an officer or employee of  
16 the employer) by whom such person is  
17 regularly and continuously employed,

18 “(III) as a fiduciary, or

19 “(IV) in response to a determina-  
20 tion that directly or indirectly affects  
21 the tax liability of a taxpayer.

22 “(B) ELECTRONIC FILING IDENTIFICATION  
23 NUMBER.—

24 “(i) IN GENERAL.—The term ‘elec-  
25 tronic filing identification number’ means

an identification number assigned by the Secretary to a person authorized to file returns in electronic format on behalf of other taxpayers.

“(ii) SUSPENSION OR REVOCATION.—

In the case of any electronic filing identification number which has been suspended or revoked by the Secretary, such number shall not be deemed valid for purposes of paragraph (1).”, and

(4) in subsection (i)(1), as redesignated by paragraph (2), by striking “and (g)” and inserting “(g), and (h)”.

(b) MODIFICATION OF DEFINITION OF TAX RETURN

PREPARER.—Section 7701(a)(36) is amended—

(1) by striking subparagraph (A) and inserting the following:

“(A) IN GENERAL.—The term ‘tax return preparer’ means any person who prepares for compensation, or who employs one or more persons to prepare for compensation, any return of tax imposed by this title, any document purporting to be a return of tax imposed by this title, or any claim for refund of tax imposed by this title. For purposes of the preceding sen-

tence, the preparation of a substantial portion of a return, document purporting to be a return, or claim for refund shall be treated as if it were the preparation of such return, document purporting to be a return, or claim for refund.”, and

(2) in subparagraph (B)—

(A) in clause (ii), by striking “return or claim for refund” and inserting “return, document purporting to be a return, or claim for refund”, and

(B) in clause (iii), by striking “return or claim for refund” and inserting “return, document purporting to be a return, or claim for refund”.

(c) PREVENTION OF INADVERTENT ERRORS INVOLVING IDENTIFYING NUMBERS.—

(1) IN GENERAL.—Not later than 18 months after the date of enactment of this Act, the Secretary shall establish a program to improve voluntary compliance with respect to requirements under subsections (c) and (h) of section 6695 of the Internal Revenue Code of 1986 (as amended by this section) and avoid the imposition of penalties under such subsections.

1           (2) OPPORTUNITY TO CORRECT.—For purposes  
2       of the program described in paragraph (1), the Sec-  
3       retary shall—

4           (A) prior to acceptance for processing,  
5       identify—

6           (i) any return or claim for refund  
7       which has been electronically submitted  
8       and does not include an identifying number  
9       which complies with section 6109(a)(4)(A)  
10      of the Internal Revenue Code of 1986, and

11          (ii) any return or claim for refund  
12      which has been electronically submitted  
13      and does not include an electronic filing  
14      identification number (as defined in section  
15      6695(h)(2)(B) of such Code), and

16          (B) provide an opportunity for the person  
17      who submitted such return or claim for refund  
18      to avoid imposition of a penalty under sub-  
19      section (c) or (h) of section 6695 of such Code,  
20      as applicable, if—

21          (i) such return or claim for refund is  
22      withdrawn, or

23          (ii) the correct identifying number or  
24      electronic filing identification number is  
25      provided.



1 (d) CRIMINAL PENALTY.—

2 (1) IN GENERAL.—Part I of subchapter A of  
3 chapter 75 is amended by adding at the end the fol-  
4 lowing new section:

5 **“SEC. 7218. WILLFUL MISUSE OR MISAPPROPRIATION OF**  
6 **IDENTIFYING NUMBER.**

7 “(a) IN GENERAL.—Any tax return preparer who,  
8 with respect to any return, document purporting to be a  
9 return, or claim for refund—

10 “(1) willfully fails to furnish a valid preparer  
11 tax identification number with intent to evade or de-  
12 feat the application of any requirement under any  
13 provision of this title which requires such preparer  
14 to obtain and furnish such number,

15 “(2) willfully furnishes a preparer tax identi-  
16 fication number which—

17 “(A) does not exist,

18 “(B) is inactive or expired,

19 “(C) has been withdrawn,

20 “(D) is suspended or has been revoked, or

21 “(E) is otherwise invalid for use by such  
22 tax return preparer, or

23 “(3) willfully furnishes a preparer tax identi-  
24 fication number which is assigned to another person,

1 shall, in addition to any other penalties provided by law,  
 2 be guilty of a felony and, upon conviction thereof, shall  
 3 be fined not more than \$50,000 (\$100,000 in the case  
 4 of a corporation), or imprisoned not more than 2 years,  
 5 or both, together with the costs of prosecution.

6 “(b) PREPARER TAX IDENTIFICATION NUMBER.—  
 7 The term ‘preparer tax identification number’ means an  
 8 identifying number described in section 6109(a)(4)(A).”.

9 (2) CLERICAL AMENDMENT.—The table of sec-  
 10 tions for part I of subchapter A of chapter 75 is  
 11 amended by adding at the end the following new  
 12 item:

“Sec. 7218. Willful misuse or misappropriation of identifying number.”.

13 (e) EFFECTIVE DATE.—The amendments made by  
 14 this section shall apply to returns or claims for refund  
 15 filed after the date which is 18 months after the date of  
 16 enactment of this Act.

17 **SEC. 4. PENALTIES FOR IMPROPER TAX PREPARATION OR**  
 18 **MISAPPROPRIATION OF REFUNDS.**

19 (a) OTHER ASSESSABLE PENALTIES WITH RESPECT  
 20 TO THE PREPARATION OF TAX RETURNS FOR OTHER  
 21 PERSONS.—Section 6695, as amended by the preceding  
 22 provisions of this Act, is amended—

23 (1) in subsection (a)—

24 (A) by striking “\$50” and inserting  
 25 “\$250”, and

1 (B) by striking “\$25,000” and inserting  
2 “\$50,000”,

3 (2) in subsection (b)—

4 (A) by striking “\$50” and inserting  
5 “\$250”, and

6 (B) by striking “\$25,000” and inserting  
7 “\$75,000”,

8 (3) in subsection (d)—

9 (A) by striking “\$50” and inserting  
10 “\$250”, and

11 (B) by striking “\$25,000” and inserting  
12 “\$50,000”,

13 (4) in subsection (e)—

14 (A) by striking “\$50” and inserting  
15 “\$250”, and

16 (B) by striking “\$25,000” and inserting  
17 “\$75,000”,

18 (5) in subsection (g), by striking “\$500” and  
19 inserting “\$1,000”, and

20 (6) in subsection (i)(1)—

21 (A) by striking “2014” and inserting  
22 “2024”, and

23 (B) by striking “calendar year 2013” and  
24 inserting “calendar year 2023”.

1 (b) MISAPPROPRIATION OF ELECTRONIC FUNDS  
2 TRANSFER.—

3 (1) IN GENERAL.—Subsection (f) of section  
4 6695 is amended to read as follows:

5 “(f) NEGOTIATION OF CHECK; MISAPPROPRIA-  
6 TION.—

7 “(1) IN GENERAL.—Any person who is a tax re-  
8 turn preparer who—

9 “(A) endorses or otherwise negotiates (di-  
10 rectly or through an agent) any check made in  
11 respect of the taxes imposed by this title which  
12 is issued to a taxpayer (other than the tax re-  
13 turn preparer), or

14 “(B) misappropriates any refund (or ad-  
15 vance payment with respect to a refundable  
16 credit), or any portion thereof, issued to any  
17 taxpayer through an electronic funds transfer,  
18 shall pay a penalty in an amount determined under  
19 paragraph (2).

20 “(2) PENALTY.—The amount of the penalty de-  
21 termined under this paragraph shall, with respect to  
22 each check or transfer described in paragraph (1),  
23 be equal to the greater of—

24 “(A) \$1,000, or

1 “(B) the full amount of such check or  
2 transfer.

3 “(3) EXCEPTION.—Paragraph (1)(A) shall not  
4 apply with respect to the deposit by a bank (within  
5 the meaning of section 581) of the full amount of  
6 the check in the taxpayer’s account in such bank for  
7 the benefit of the taxpayer.”.

8 (2) CONFORMING AMENDMENT.—Section  
9 6695(i)(1) is amended by striking “(f),” and insert-  
10 ing “(f)(2)(A),”.

11 **SEC. 5. AUTHORITY TO DENY, REVOKE, OR SUSPEND PRE-**  
12 **PARER TAX IDENTIFICATION NUMBERS.**

13 (a) IN GENERAL.—Section 6109 is amended—

14 (1) in subsection (a), by striking paragraph (4)  
15 and inserting the following:

16 “(4) FURNISHING IDENTIFYING NUMBER OF  
17 TAX RETURN PREPARER.—

18 “(A) IN GENERAL.—Any return or claim  
19 for refund which is prepared by a tax return  
20 preparer shall bear such identifying number for  
21 securing proper identification of such preparer,  
22 their employer, or both, as may be prescribed.

23 “(B) EXCEPTION FOR SUPERVISED PRE-  
24 PARER.—Subparagraph (A) shall not apply with  
25 respect to any tax return preparer who prepares

1 any return or claim for refund if such preparer  
2 is—

3 “(i) employed by a specified practi-  
4 tioner, and

5 “(ii) under the supervision and direc-  
6 tion of a tax return preparer who—

7 “(I) includes their identifying  
8 number (as described in subparagraph  
9 (A)) on such return or claim,

10 “(II) signs such return or claim,  
11 and

12 “(III) is a specified practitioner.

13 “(C) SUSPENSION OR REVOCATION.—In  
14 the case of any identifying number which has  
15 been suspended or revoked by the Secretary  
16 under subsection (e), such number shall not be  
17 deemed valid for purposes of subparagraph (A).

18 “(D) DEFINITIONS.—For purposes of this  
19 section—

20 “(i) SPECIFIED PRACTITIONER.—The  
21 term ‘specified practitioner’ means a cer-  
22 tified public accountant, attorney, or en-  
23 rolled agent—

24 “(I) who is in good standing and  
25 authorized to represent persons before

1 the Department of the Treasury  
2 under section 330 of title 31, United  
3 States Code, and

4 “(II) whose professional license  
5 or certification has not been revoked.

6 “(ii) RETURN; CLAIM FOR REFUND.—  
7 The terms ‘return’ and ‘claim for refund’  
8 have the respective meanings given to such  
9 terms by section 6696(e).”, and

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

12 “(e) IDENTIFYING NUMBER OF TAX RETURN PRE-  
13 PARER.—

14 “(1) IN GENERAL.—The Secretary shall main-  
15 tain a program for administration of preparer tax  
16 identification numbers required under subsection  
17 (a)(4), which shall include restrictions on the  
18 issuance of such numbers to any individual other  
19 than an individual who—

20 “(A) meets the suitability requirements of  
21 paragraph (2) and the education requirements  
22 of paragraph (3),

23 “(B) meets the state program require-  
24 ments of paragraph (4), or

25 “(C) is a specified practitioner.

1 “(2) DEMONSTRATION OF SUITABILITY.—

2 “(A) IN GENERAL.—An individual meets  
3 the suitability requirements of this paragraph if  
4 such individual has demonstrated to the Sec-  
5 retary the individual’s suitability to be a tax re-  
6 turn preparer by—

7 “(i) providing such information as the  
8 Secretary determines necessary, and

9 “(ii) undergoing a background check,  
10 including a review by the Secretary regard-  
11 ing compliance with personal tax obliga-  
12 tions.

13 “(B) CONDUCT DEMONSTRATING LACK OF  
14 SUITABILITY.—For purposes of subparagraph  
15 (A), an individual shall be deemed to have  
16 failed to demonstrate their suitability to be a  
17 tax return preparer if—

18 “(i) any license or registration issued  
19 to such individual by a State to prepare  
20 tax returns has been suspended or revoked  
21 by such State, or

22 “(ii) the Secretary determines that  
23 such individual is described in clauses (ii)  
24 through (vi) of paragraph (5)(A).



1           “(C) REGULATIONS AND GUIDANCE.—The  
2           Secretary shall issue such regulations or other  
3           guidance as the Secretary determines necessary  
4           to carry out the purposes of this paragraph.

5           “(D) PROHIBITION ON EXAMINATIONS.—  
6           For purposes of subparagraph (A), except as  
7           provided in paragraph (3)(C)(iii), the Secretary  
8           may not require an examination as a pre-  
9           requisite for the assignment or renewal of a  
10          preparer tax identification number.

11          “(E) GRANDFATHERING OF PRIOR BACK-  
12          GROUND CHECKS.—For purposes of subpara-  
13          graph (A)(ii), in the case of an individual who  
14          has undergone a background check prior to the  
15          date of enactment of this subsection, the Sec-  
16          retary may deem such individual to have satis-  
17          fied the requirement under such subparagraph.

18          “(3) EDUCATIONAL PROGRAMS.—

19          “(A) IN GENERAL.—An individual meets  
20          the education requirements of this paragraph if  
21          such individual completes a specified number of  
22          hours of educational programs on ethics, profes-  
23          sional responsibility, and tax law (including re-  
24          cently enacted legislation) as may be required

1 by the Secretary prior to the assignment or re-  
2 newal of a preparer tax identification number.

3 “(B) ADDITIONAL EDUCATIONAL REQUIRE-  
4 MENTS FOR RENEWAL.—The Secretary may re-  
5 quire any individual seeking the renewal of a  
6 preparer tax identification number to complete  
7 educational programs in addition to those re-  
8 quired under subparagraph (A). Any edu-  
9 cational programs required under this subpara-  
10 graph shall be based on—

11 “(i) a review of returns which include  
12 the preparer tax identification number of  
13 such preparer, and

14 “(ii) any errors identified by the Sec-  
15 retary as part of the review described in  
16 clause (i).

17 “(C) OTHER REQUIREMENTS.—For pur-  
18 poses of this paragraph, the Secretary—

19 “(i) may not require a tax return pre-  
20 parer to annually complete more than 18  
21 hours of educational programs,

22 “(ii) shall require that any edu-  
23 cational program include written materials  
24 which satisfy such standards as are estab-  
25 lished by the Secretary,

1           “(iii) may require that any edu-  
2           cational program include a method to en-  
3           sure that the tax return preparer attended  
4           the program and sufficiently understood  
5           the material presented, and

6           “(iv) may not direct any educational  
7           program to be completed through a specific  
8           provider.

9           “(D) NOTICE OF FAILURE TO TIMELY  
10          COMPLETE REQUIREMENTS.—The Secretary  
11          shall provide any tax return preparer who fails  
12          to complete the requirements of this paragraph  
13          notice of such failure and a period in which to  
14          cure such failure.

15          “(E) PUBLICATION OF APPROVED  
16          COURSES.—The Secretary shall publish, on the  
17          public website of the Internal Revenue Serv-  
18          ice—

19               “(i) a list of educational programs  
20               which have been determined by the Sec-  
21               retary to satisfy the requirement under  
22               clause (ii) of subparagraph (C) (and, if ap-  
23               plicable, the requirement under clause (iii)  
24               of such subparagraph), including the pro-  
25               viders of such programs, and

1                   “(ii) any such requirements as the  
2                   Secretary deems necessary to impose with  
3                   respect to any additional programs re-  
4                   quired under subparagraph (B).

5                   “(4) EXEMPTION.—

6                   “(A) IN GENERAL.—Subject to subpara-  
7                   graph (B), any individual meets the state pro-  
8                   gram requirements of this paragraph if such in-  
9                   dividual maintains a valid State license or reg-  
10                  istration issued by a State licensing program or  
11                  State registration program (including State tax  
12                  education councils) which includes examination,  
13                  education, and background check requirements  
14                  that are determined by the Secretary (on the  
15                  basis of such information as is provided by the  
16                  taxpayer or State program) to be comparable to  
17                  the suitability requirements described in para-  
18                  graph (2) and the education requirements de-  
19                  scribed in paragraph (3).

20                  “(B) GRANDFATHERING OF CERTAIN PRO-  
21                  GRAMS.—For purposes of subparagraph (A),  
22                  with respect to determining whether a State li-  
23                  censing program or State registration program  
24                  (including State tax education councils) in-  
25                  cludes examination, education, and background

1 check requirements which are comparable to the  
2 suitability requirements described in paragraph  
3 (2) and the education requirements described in  
4 paragraph (3), such determination shall be  
5 made by the Secretary without regard to wheth-  
6 er such requirements were included in such pro-  
7 gram at the time that such individual was li-  
8 censed or registered under such program, pro-  
9 vided that such requirements are, as of the date  
10 that such individual requested assignment or  
11 renewal of a preparer tax identification number  
12 under this subsection, presently included in  
13 such program.

14 “(5) AUTHORITY TO REVOKE OR SUSPEND PRE-  
15 PARER TAX IDENTIFICATION NUMBER.—

16 “(A) IN GENERAL.—The Secretary may  
17 suspend or revoke a preparer tax identification  
18 number if, after notice and opportunity for a  
19 hearing, the Secretary makes a determination  
20 that the tax return preparer—

21 “(i) has not met—

22 “(I) the suitability requirements  
23 of paragraph (2) and the education  
24 requirements of paragraph (3), or

1 “(II) the State program require-  
2 ments of paragraph (4),

3 “(ii) is incompetent, as demonstrated  
4 by a repeated pattern of errors in returns  
5 that were prepared by such preparer or in-  
6 dividuals who were supervised by such pre-  
7 parer (as described in subsection  
8 (a)(4)(B)) which affected the determina-  
9 tion of tax liability in such returns,

10 “(iii) is disreputable, as demonstrated  
11 by—

12 “(I) giving false or misleading in-  
13 formation under paragraph (2)(A)(i),

14 “(II) failure to comply with per-  
15 sonal tax obligations,

16 “(III) revocation or suspension of  
17 any license or registration issued by a  
18 State for the preparation of tax re-  
19 turns,

20 “(IV) conviction of any criminal  
21 offense—

22 “(aa) involving dishonesty or  
23 breach of trust, or

24 “(bb) which is punishable  
25 under this title,

1 “(V) a final determination of li-  
2 ability for a penalty pursuant to sec-  
3 tion 6694, 6695(h), 6700, 6701, or  
4 6702, or

5 “(VI) any conduct similar to the  
6 conduct described in subclauses (I)  
7 through (V),

8 “(iv) in the case of a person subject to  
9 regulation under section 330 of title 31,  
10 United States Code, or regulations pre-  
11 scribed thereunder, has violated the re-  
12 quirements under such section or such reg-  
13 ulations,

14 “(v) with intent to defraud, willfully  
15 and knowingly misleads or threatens—

16 “(I) the person whose return or  
17 claim for refund is being prepared, or

18 “(II) a prospective person seek-  
19 ing for a return or claim for refund to  
20 be prepared, or

21 “(vi) has engaged in conduct (as iden-  
22 tified in regulations or guidance issued by  
23 the Secretary) which is similar to the con-  
24 duct described in clauses (i) through (v)  
25 and that the denial, suspension, or revoca-

tion of such number would promote compliance with the requirements of this title and effective tax administration.

“(B) MONETARY PENALTY.—

“(i) IN GENERAL.—In addition to, or in lieu of, any suspension or revocation of a preparer tax identification number under subparagraph (A), the Secretary may impose a penalty in any amount not exceeding—

“(I) in the case of any determination made by the Secretary with respect to a tax return preparer which is described in subparagraph (A) (with the exception of clause (v) of such subparagraph), \$1,000 with respect to each such determination, and

“(II) in the case of any determination made by the Secretary with respect to a tax return preparer which is described in subparagraph (A)(v), \$5,000 with respect to each such determination.

“(ii) REDUCTION.—Any penalty imposed under clause (i) shall be reduced by



1 the amount of any penalty imposed under  
2 section 6694, 6695, 6700, 6701, or 6702  
3 with regard to the same conduct.

4 “(iii) ADJUSTMENT FOR INFLA-  
5 TION.—

6 “(I) IN GENERAL.—In the case  
7 of any penalty imposed during any  
8 calendar year beginning after 2025,  
9 the \$1,000 amount in clause (i)(I)  
10 and the \$5,000 amount in clause  
11 (i)(II) shall each be increased by an  
12 amount equal to—

13 “(aa) such dollar amount,  
14 multiplied by

15 “(bb) the cost-of-living ad-  
16 justment determined under sec-  
17 tion 1(f)(3) for the calendar year,  
18 determined by substituting ‘cal-  
19 endar year 2024’ for ‘calendar  
20 year 2016’ in subparagraph  
21 (A)(ii) thereof.

22 “(II) ROUNDING.—If any  
23 amount determined under subclause  
24 (I) is not a multiple of \$100, such

1 amount shall be rounded to the near-  
2 est multiple of \$100.

3 “(C) REINSTATEMENT.—The Secretary  
4 shall, through regulations or other guidance, es-  
5 tablish procedures to allow any tax return pre-  
6 parer whose preparer tax identification number  
7 has been suspended or revoked pursuant to sub-  
8 paragraph (A) to have such number reissued  
9 (or, in the case of a suspension, for such sus-  
10 pension to be terminated), provided that such  
11 preparer demonstrates, to the satisfaction of  
12 the Secretary, that—

13 “(i) the conduct described in such  
14 paragraph which was the basis for such  
15 suspension or revocation has been suffi-  
16 ciently addressed or resolved (such as  
17 through completion of educational pro-  
18 grams described in paragraph (3) or rein-  
19 statement of a license issued by a State for  
20 the preparation of tax returns), and

21 “(ii) effective tax administration  
22 would be promoted by terminating the sus-  
23 pension of such number or reissuing such  
24 number to such preparer.

25 “(D) PRELIMINARY SUSPENSION.—

1           “(i) IN GENERAL.—After notice and  
2           opportunity to respond, the Secretary may  
3           suspend the preparer tax identification  
4           number of a tax return preparer for a pe-  
5           riod of not greater than 180 days if the  
6           Secretary determines that—

7                   “(I) such tax return preparer has  
8                   engaged in any conduct described in  
9                   clauses (i) through (vi) of subpara-  
10                  graph (A), and

11                  “(II) such suspension is nec-  
12                  essary to prevent serious economic  
13                  harm to taxpayers or serious impair-  
14                  ment of effective tax administration,  
15                  such as to prevent the filing of fraud-  
16                  ulent returns or claims for refund.

17           “(ii) LIMITATION.—For purposes of  
18           clause (i), if the preparer tax identification  
19           number of a tax return preparer has been  
20           suspended pursuant to such clause 2 times  
21           during any 5-year period, the Secretary  
22           may not issue an additional suspension  
23           pursuant to such clause with respect to  
24           such preparer during such period unless  
25           such suspension is subsequent to a deter-

1           mination by the Secretary to suspend or  
2           revoke the preparer tax identification num-  
3           ber of such preparer pursuant to subpara-  
4           graph (A).

5           “(E) REGULATIONS.—Not later than 24  
6           months after the date of enactment of this sub-  
7           section, the Secretary shall issue such regula-  
8           tions or other guidance as the Secretary deter-  
9           mines necessary to carry out the purposes of  
10          this paragraph, including—

11               “(i) guidelines that identify the par-  
12               ticular penalty applicable to any conduct  
13               described in subparagraph (A), and

14               “(ii) the manner of notice and oppor-  
15               tunity to respond for purposes of subpara-  
16               graph (D).

17          “(6) APPEAL.—In the case of any tax return  
18          preparer for whom the Secretary has made a deter-  
19          mination—

20               “(A) that such preparer has not met the  
21               requirements of paragraphs (2) and (3) or of  
22               paragraph (4) and that issuance of a preparer  
23               tax identification number should be denied,

1           “(B) under paragraph (5)(A) that the pre-  
2           parer tax identification number for such pre-  
3           parer should be suspended or revoked, or

4           “(C) that a penalty should be imposed pur-  
5           suant to paragraph (5)(B),

6           such preparer shall be provided with an opportunity  
7           to appeal such determination to the Internal Rev-  
8           enue Service Independent Office of Appeals pursuant  
9           to procedures (as established by the Secretary  
10          through regulations or other guidance) which are  
11          similar to the procedures provided under section 330  
12          of title 31, United States Code, or regulations pre-  
13          scribed thereunder.

14          “(7) DISCLOSURE OF FINAL DETERMINA-  
15          TIONS.—

16               “(A) IN GENERAL.—In the case of any  
17               final determination with respect to the extended  
18               suspension, revocation, reissuance, or termi-  
19               nation of an extended suspension of a preparer  
20               tax identification number under this subsection,  
21               not later than 30 days following such deter-  
22               mination, the Secretary shall publish such de-  
23               termination on the public website of the Inter-  
24               nal Revenue Service, which shall include—

1 “(i) a statement of the facts and cir-  
2 cumstances relating to such determination,  
3 and

4 “(ii) the reasons for the determina-  
5 tion.

6 “(B) EXTENDED SUSPENSION.—For pur-  
7 poses of subparagraph (A), the term ‘extended  
8 suspension’ means a suspension issued by the  
9 Secretary pursuant to paragraph (5)(A) for a  
10 period of greater than 180 days.

11 “(8) PREPARER TAX IDENTIFICATION NUM-  
12 BER.—For purposes of this subsection, the term  
13 ‘preparer tax identification number’ means an iden-  
14 tifying number described in subsection (a)(4)(A).”.

15 (b) INFORMATION RETURNS OF TAX RETURN PRE-  
16 PARERS.—Section 6060 is amended—

17 (1) by redesignating subsection (c) as sub-  
18 section (d), and

19 (2) by inserting after subsection (b) the fol-  
20 lowing:

21 “(c) ADDITIONAL INFORMATION FROM SUPER-  
22 VISORS.—In the case of a person required to make a re-  
23 turn under subsection (a) who is described in section  
24 6109(a)(4)(B)(ii)(III), such person shall include in such  
25 return—

1           “(1) the name and taxpayer identification num-  
 2           ber of any tax return preparer under their super-  
 3           vision and direction who, pursuant to subparagraph  
 4           (B) of section 6109(a)(4), is exempted from the re-  
 5           quirement under subparagraph (A) of such section,

6           “(2) with respect to each tax return preparer  
 7           described in paragraph (1), whether such preparer is  
 8           employed by such person as of the date on which  
 9           such return is made, and

10           “(3) such other information as the Secretary  
 11           determines appropriate.”.

12           (c) DETERMINATIONS REGARDING PRACTICE BE-  
 13           FORE THE DEPARTMENT.—Section 330 of title 31, United  
 14           States Code, is amended—

15           (1) by redesignating subsection (e) as sub-  
 16           section (f); and

17           (2) by inserting after subsection (d) the fol-  
 18           lowing:

19           “(e) DISCLOSURE OF FINAL DETERMINATIONS.—In  
 20           the case of any final determination under subsection (c)  
 21           or (d), not later than 30 days following such determina-  
 22           tion, the Secretary shall publish such determination on a  
 23           public website, which shall include—

24           “(1) a statement of the facts and circumstances  
 25           relating to such determination, and

1 “(2) the reasons for the determination.”.

2 (d) DISCLOSURE RELATING TO MISCONDUCT BY  
3 PRACTITIONERS AND TAX RETURN PREPARERS.—

4 (1) IN GENERAL.—Section 6103(k) is amended  
5 by adding at the end the following new paragraph:

6 “(16) DISCLOSURE RELATING TO MISCONDUCT  
7 BY PRACTITIONERS AND TAX RETURN PREPARERS.—

8 Under such procedures as the Secretary may pre-  
9 scribe, the Secretary may disclose returns and re-  
10 turn information to the extent the Secretary deter-  
11 mines it is necessary to publish determinations pur-  
12 suant to section 6109(e)(7) and section 330(e) of  
13 title 31, United States Code, provided that such dis-  
14 closure is redacted to remove—

15 “(A) any name, address, or other identi-  
16 fying information with respect to any persons  
17 other than the representative or tax return pre-  
18 parer who is the subject of such determination,  
19 and

20 “(B) such other information as the Sec-  
21 retary determines appropriate to protect the  
22 privacy of such persons.”.

23 (2) CONFORMING AMENDMENT.—Section  
24 6103(p)(3)(A) is amended by striking “or (9)” and  
25 inserting “(9), or (16)”.



1 (e) REQUIREMENT TO INCLUDE IDENTIFYING NUM-  
 2 BER FOR PAID PREPARER OF OFFER-IN-COMPROMISE.—

3 (1) IN GENERAL.—Section 6109(a) is amended  
 4 by inserting after paragraph (4) the following new  
 5 paragraph:

6 “(5) FURNISHING IDENTIFYING NUMBER FOR  
 7 OFFER-IN-COMPROMISE.—Any offer-in-compromise  
 8 (as described in section 7122) which has been pre-  
 9 pared by any person for compensation shall include  
 10 such identifying number as may be prescribed for se-  
 11 curing proper identification of such person.”.

12 (2) PENALTY.—Section 7122 is amended by  
 13 adding at the end the following new subsection:

14 “(h) FAILURE TO FURNISH IDENTIFYING NUM-  
 15 BER.—

16 “(1) IN GENERAL.—

17 “(A) PENALTY.—Any person who prepares  
 18 an offer-in-compromise for compensation and  
 19 who fails to include an identifying number  
 20 which complies with section 6109(a)(5) with re-  
 21 spect to such offer-in-compromise shall pay a  
 22 penalty of \$250 for such failure.

23 “(B) NON-COMPLIANCE.—For purposes of  
 24 this paragraph, an identifying number shall be

1           deemed to not comply with section 6109(a)(5)  
2           if such identifying number—

3                   “(i) is assigned to another person,  
4                   “(ii) does not exist,  
5                   “(iii) is inactive or expired,  
6                   “(iv) has been withdrawn,  
7                   “(v) is suspended or has been revoked,

8           or

9                   “(vi) is otherwise invalid for use by  
10           the preparer.

11           “(C) ADJUSTMENT FOR INFLATION.—

12                   “(i) IN GENERAL.—In the case of any  
13           documents filed during any calendar year  
14           beginning after 2025, the \$250 amount in  
15           subparagraph (A) shall be increased by an  
16           amount equal to—

17                           “(I) such dollar amount, multi-  
18                           plied by

19                           “(II) the cost-of-living adjust-  
20                           ment determined under section 1(f)(3)  
21                           for the calendar year, determined by  
22                           substituting ‘calendar year 2024’ for  
23                           ‘calendar year 2016’ in subparagraph  
24                           (A)(ii) thereof.

1 “(ii) ROUNDING.—If any amount de-  
2 termined under clause (i) is not a multiple  
3 of \$10, such amount shall be rounded to  
4 the nearest multiple of \$10.

5 “(2) EXCEPTION.—The penalty imposed under  
6 paragraph (1) shall not apply if it is shown that  
7 such failure is due to reasonable cause and not due  
8 to willful neglect.

9 “(3) LIMITATION.—

10 “(A) IN GENERAL.—The maximum penalty  
11 imposed under this subsection on any person  
12 with respect to documents filed during any cal-  
13 endar year shall not exceed \$75,000.

14 “(B) ADJUSTMENT FOR INFLATION.—

15 “(i) IN GENERAL.—In the case of any  
16 penalty imposed during any calendar year  
17 beginning after 2025, the \$75,000 amount  
18 in subparagraph (A) shall be increased by  
19 an amount equal to—

20 “(I) such dollar amount, multi-  
21 plied by

22 “(II) the cost-of-living adjust-  
23 ment determined under section 1(f)(3)  
24 for the calendar year, determined by  
25 substituting ‘calendar year 2024’ for

1 ‘calendar year 2016’ in subparagraph  
2 (A)(ii) thereof.

3 “(ii) ROUNDING.—If any amount de-  
4 termined under clause (i) is not a multiple  
5 of \$1,000, such amount shall be rounded  
6 to the nearest multiple of \$1,000.

7 “(4) OTHER APPLICABLE RULES.—Rules simi-  
8 lar to the rules of section 6696 shall apply for pur-  
9 poses of this subsection.”.

10 (f) GAO STUDY AND REPORT ON THE EXCHANGE  
11 OF INFORMATION BETWEEN THE IRS AND STATE TAX-  
12 ATION AUTHORITIES.—

13 (1) IN GENERAL.—Not later than 18 months  
14 after the date of the enactment of this Act, the  
15 Comptroller General of the United States shall con-  
16 duct a study and submit to Congress a report on the  
17 sharing of information between the Secretary and  
18 State authorities, as authorized under subsections  
19 (d) and (k)(5) of section 6103 of the Internal Rev-  
20 enue Code of 1986, regarding identification numbers  
21 issued to paid tax return preparers and return pre-  
22 parer minimum standards.

23 (2) INCREASED INFORMATION SHARING.—The  
24 study and report described in paragraph (1) shall in-  
25 clude an analysis of the impact that increased infor-

1       mation sharing between Federal and State authori-  
2       ties would have on efforts to enforce minimum  
3       standards on paid tax return preparers.

4       (g) PUBLICATION OF COMMON ERRORS AND PEN-  
5       ALTIES.—Not later than 36 months after the date of the  
6       enactment of this Act and annually thereafter, the Com-  
7       missioner of the Internal Revenue shall publish on the  
8       public website of the Internal Revenue Service—

9               (1) the 10 most frequent errors found on tax  
10       returns which were prepared by tax return preparers  
11       (as defined in section 7701(a)(36) of the Internal  
12       Revenue Code of 1986) during the preceding cal-  
13       endar year, and

14              (2) with respect to the preceding calendar year,  
15       the top 10 reasons that tax return preparers were—

16                   (A) subject to penalties imposed under the  
17       Internal Revenue Code of 1986, or

18                   (B) otherwise disciplined under section  
19       6109 of such Code or section 330 of title 31,  
20       United States Code.

21       (h) RULE OF CONSTRUCTION.—Nothing in this sec-  
22       tion (or amendment made by this section) shall be con-  
23       strued to require the Secretary to eliminate or terminate  
24       any existing program or authority—

1           (1) which, pursuant to section 330 of title 31,  
2           United States Code, permits a tax return preparer  
3           to represent a taxpayer before the Department of  
4           the Treasury in cases in which such preparer pre-  
5           pared and signed the return of tax, or

6           (2) for publication of a public database on the  
7           website of the Internal Revenue Service of tax re-  
8           turn preparers who have satisfied the requirements  
9           for issuance of a preparer tax identification number  
10          (as defined in section 6109(e)(8) of the Internal  
11          Revenue Code of 1986).

12          (i) EFFECTIVE DATE.—

13           (1) IN GENERAL.—The amendments made by  
14           this section shall take effect on the date which is  
15           180 days after the date of enactment of this Act.

16           (2) TRANSITION RULES FOR EDUCATIONAL RE-  
17           QUIREMENTS FOR TAX RETURN PREPARERS.—

18           (A) ANNUAL FILING SEASON PROGRAM.—

19           In the case of any tax return preparer who, as  
20           of the date of enactment of this Act, has re-  
21           ceived a record of completion with respect to  
22           the Annual Filing Season Program established  
23           by the Internal Revenue Service, such tax re-  
24           turn preparer shall be deemed to have satisfied  
25           the education requirements of section

1           6109(e)(3) of the Internal Revenue Code of  
2           1986 (as added by this section) for the calendar  
3           year for which such record of completion ap-  
4           plies.

5           (B) APPROVED COURSES.—In the case of  
6           any entity which, as of the date of enactment  
7           of this Act, is approved to provide continuing  
8           education for purposes of the Annual Filing  
9           Season Program established by the Internal  
10          Revenue Service, such entity shall be deemed to  
11          satisfy the applicable requirements under sec-  
12          tion 6109(e)(3) of the Internal Revenue Code of  
13          1986 until the date on which the Secretary  
14          has—

15               (i) issued such regulations or other  
16               guidance as the Secretary determines nec-  
17               essary for purposes of establishing stand-  
18               ards for educational programs under such  
19               section, and

20               (ii) pursuant to subparagraph (E) of  
21               such section, published a list of educational  
22               programs which have been determined by  
23               the Secretary to satisfy the applicable re-  
24               quirements under such section.

○