

Union Calendar No. 434

119TH CONGRESS
2^D SESSION

H. R. 6956

[Report No. 119–508]

To require electronically prepared tax returns to include scannable code when submitted on paper, and to require the use of optical character recognition technology for paper documents received by the Internal Revenue Service.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 7, 2026

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

FEBRUARY 20, 2026

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 *italie*]

[For text of introduced bill, see copy of bill as introduced on January 7, 2026]

A BILL

To require electronically prepared tax returns to include scannable code when submitted on paper, and to require the use of optical character recognition technology for paper documents received 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 “Barcode Automation for*
 5 *Revenue Collection to Organize Disbursement and Enhance*
 6 *Efficiency Act” or the “BARCODE Efficiency Act”.*

7 **SEC. 2. SCANNING AND DIGITIZATION OF TAX RETURNS**
 8 **AND CORRESPONDENCE.**

9 *(a) RETURNS PREPARED ELECTRONICALLY AND SUB-*
 10 *MITTED ON PAPER.—With respect to any Federal tax re-*
 11 *turn which is prepared electronically, but is printed and*
 12 *filed on paper—*

13 *(1) such return shall bear a code which, when*
 14 *scanned, converts the data included in such return to*
 15 *electronic format, and*

16 *(2) subject to subsection (b)(1)(B), the Internal*
 17 *Revenue Service shall use barcode scanning technology*
 18 *to convert the data included in such return to elec-*
 19 *tronic format.*

20 *(b) OPTICAL CHARACTER RECOGNITION SOFTWARE.—*
 21 *With respect to—*

22 *(1) any Federal tax return which—*

23 *(A) is not prepared electronically and is*
 24 *printed and filed on paper, or*

1 (B) is described in subsection (a)(1) but, for
 2 any reason, the data included in such return
 3 cannot be accurately converted into electronic
 4 format, or

5 (2) any correspondence which is received by the
 6 Internal Revenue Service in a paper form (with the
 7 exception of any such correspondence which has been
 8 received by the Internal Revenue Service in electronic
 9 format),

10 the Internal Revenue Service shall use optical character rec-
 11 ognition technology (or any functionally similar tech-
 12 nology) to transcribe such return or correspondence.

13 (c) *EXCEPTION.*—

14 (1) *IN GENERAL.*—Subsection (a) or (b) shall not
 15 apply to the extent that the Secretary of the Treasury
 16 or the Secretary's delegate determines that the tech-
 17 nology described in such subsection is slower or less
 18 reliable than—

19 (A) the process of manually transcribing re-
 20 turns or correspondence received in a paper
 21 form, or

22 (B) any other process that the Internal Rev-
 23 enue Service is using or would otherwise use.

24 (2) *REPORT TO CONGRESS.*—Any exception to
 25 the application of subsection (a) or (b) pursuant to

1 paragraph (1) shall not take effect unless the Sec-
2 retary provides a report to the Committee on Ways
3 and Means of the House of Representatives and the
4 Committee on Finance of the Senate regarding the de-
5 termination made under such paragraph within 30
6 days of such determination.

7 (d) *EFFECTIVE DATE.*—This section shall apply to—

8 (1) any individual income tax return (as defined
9 in section 6011(e)(3)(C) of the Internal Revenue Code
10 of 1986) received on or after January 1 of the first
11 calendar year beginning more than 180 days after the
12 date of enactment of this Act,

13 (2) any estate tax return (as described in section
14 6018 of such Code) or gift tax return (as described in
15 section 6019 of such Code) received on or after Janu-
16 ary 1 of the first calendar year beginning more than
17 24 months after the date of enactment of this Act, and

18 (3) any other return or correspondence received
19 on or after January 1 of the first calendar year be-
20 ginning more than 12 months after the date of enact-
21 ment of this Act.

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