

117TH CONGRESS  
2D SESSION

# H. R. 9589

To ensure the successful development of the electronic Income Verification Express Service of the Internal Revenue Service by amending the Taxpayer First Act to clarify that taxpayer identity verification is the responsibility of users of the system rather than the taxpayer, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 15, 2022

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

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## A BILL

To ensure the successful development of the electronic Income Verification Express Service of the Internal Revenue Service by amending the Taxpayer First Act to clarify that taxpayer identity verification is the responsibility of users of the system rather than the taxpayer, 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. IDENTITY VERIFICATION RESPONSIBILITY.**

4 (a) IN GENERAL.—Section 2201 of the Taxpayer  
5 First Act (Public Law 116–25) is amended—

1           (1) in subsection (a), by striking “and” at the  
2 end of paragraph (1), by redesignating paragraph  
3 (2) as paragraph (3), and by inserting after para-  
4 graph (1) the following new paragraph:

5           “(2) is accomplished only after a financial insti-  
6 tution (or a service provider, subsidiary, affiliate,  
7 agent, subcontractor, or assignee of a financial insti-  
8 tution) has formed a reasonable belief that the iden-  
9 tity of the taxpayer has been authenticated; and”;  
10 and

11           (2) in subsection (b), by striking “by the Sec-  
12 retary to a person seeking to verify the income or  
13 creditworthiness of a taxpayer who is a borrower in  
14 the process of a loan application” and inserting “,  
15 including business tax return information, by the  
16 Secretary to a taxpayer or financial institution (or a  
17 service provider, subsidiary, affiliate, agent, subcon-  
18 tractor, or assignee of a financial institution) des-  
19 ignated by a taxpayer seeking to verify the income  
20 or creditworthiness of a taxpayer who is a borrower  
21 in the process of a financial application”.

22           (b) FINANCIAL INSTITUTION DEFINITION, STAND-  
23 ARDS AND GUIDELINES.—Section 2201 of such Act is  
24 amended—

25           (1) in subsection (c)—

1 (A) by striking “The Secretary” and in-  
2 serting—

3 “(1) IN GENERAL.—The Secretary”; and

4 (B) by adding at the end the following new  
5 paragraph:

6 “(2) STANDARDS.—The Secretary shall ensure  
7 that any standards and guidelines deemed applicable  
8 to the system described in this section—

9 “(A) Enable a taxpayer to provide the ap-  
10 propriate designation and electronic consent to  
11 a financial institution (or a service provider,  
12 subsidiary, affiliate, agent, subcontractor, or as-  
13 signee of a financial institution), including  
14 those defined in section 106 of the Electronic  
15 Signatures in Global and National Commerce  
16 Act (15 U.S.C. 7006);

17 “(B) Enable a financial institution (or a  
18 service provider, subsidiary, affiliate, agent,  
19 subcontractor, or assignee of a financial institu-  
20 tion) to act upon such designation and consent  
21 to request a qualified disclosure directly with  
22 the system implemented pursuant to this sec-  
23 tion; and

24 “(C) Ensure the security and confiden-  
25 tiality of taxpayer information, to the extent

1 such standards and guidelines do not conflict  
2 with other standards and guidelines applicable  
3 to financial institutions.”; and

4 (2) by redesignating subsections (c) and (d) as  
5 subsections (d) and (e), respectively, and by insert-  
6 ing after subsection (b) the following new subsection:  
7 “(c) FINANCIAL INSTITUTION.—For purposes of this  
8 section, the term ‘financial institution’ has the meaning  
9 given such term in section 509 of the Gramm-Leach-Bliley  
10 Act (15 U.S.C. 6809).”.

11 (c) LIMITATION ON AUTHORITY.—Section 2201 of  
12 such Act is amended by adding at the end the following  
13 new subsection:

14 “(f) LIMITATION ON AUTHORITY.—The Secretary  
15 may not require a taxpayer seeking a qualified disclosure  
16 to access any information technology system or service  
17 used by or on behalf of the Internal Revenue Service pur-  
18 suant to this section for any purpose relating to a qualified  
19 disclosure, including identity verification or the provision  
20 of electronic consent.”.

21 (d) EFFECTIVE DATE.—The amendments made by  
22 this section shall take effect as if included in section 2201  
23 of the Taxpayer First Act (Public Law 116–25).

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