

117TH CONGRESS  
2D SESSION

# S. 5014

To require the Internal Revenue Service to pay for costs incurred by certain persons in the course of an audit.

---

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 29, 2022

Mr. MARSHALL (for himself and Mr. BRAUN) introduced the following bill;  
which was read twice and referred to the Committee on Finance

---

## A BILL

To require the Internal Revenue Service to pay for costs incurred by certain persons in the course of an audit.

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 “Preventing Frivolous  
5 Actions by IRS Agents Act”.

6 **SEC. 2. FEES AND EXPENSES OF AUDITS.**

7 (a) IN GENERAL.—Subchapter A of chapter 78 of the  
8 Internal Revenue Code of 1986 is amended by redesignig-  
9 nating section 7613 as section 7614 and by inserting after  
10 section 7612 the following new section:

1 **“SEC. 7613. FEES AND EXPENSES OF AUDITS.**

2       “(a) IN GENERAL.—In the case of an eligible tax-  
3 payer, the taxpayer shall be entitled to the payment of  
4 any fees or other expenses paid or incurred by the tax-  
5 payer in the course of an audit under this subtitle.

6       “(b) TIMING OF PAYMENT.—The payment under  
7 subsection (a) shall be due after the disposition of the tax-  
8 payer’s case, including completion of any judicial pro-  
9 ceedings.

10       “(c) ELIGIBLE TAXPAYER.—For purposes of this sec-  
11 tion, the term ‘eligible taxpayer’ means a taxpayer whose  
12 gross income for the taxable year in which the audit is  
13 commenced does not exceed \$400,000, and who is not con-  
14 victed of any crime related to the audit described in sub-  
15 section (a) or the case described in subsection (b).”.

16       (b) CLERICAL AMENDMENT.—The table of sections  
17 for subchapter A of chapter 78 of the Internal Revenue  
18 Code of 1986 is amended by adding at the end the fol-  
19 lowing:

“Sec. 7613. Fees and expenses of audits.”.

20 **SEC. 3. ATTORNEY’S FEES, ETC.**

21       (a) IN GENERAL.—Chapter 76 of the Internal Rev-  
22 enue Code of 1986 is amended by adding at the end the  
23 following new subchapter:

24       **“Subchapter F—Fees and Expenses**

“Sec. 7495. Fees and expenses.

1 **“SEC. 7495. FEES AND EXPENSES.**

2       “In the case of any civil or criminal proceeding  
3 brought by or at the request of the Secretary in which  
4 the taxpayer prevails in court, the taxpayer shall be enti-  
5 tled to the payment of attorney’s fees, court costs, and  
6 other expenses related to the taxpayer’s defense in such  
7 proceeding.”.

8       (b) CLERICAL AMENDMENT.—The table of sub-  
9 chapters for chapter 76 of the Internal Revenue Code of  
10 1986 is amended by adding at the end the following:

“SUBCHAPTER F—FEES AND EXPENSES”.

○