

115TH CONGRESS  
1ST SESSION

# H. R. 3641

To make permanent the Internal Revenue Service Free File program.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 4, 2017

Mr. ROSKAM (for himself, Mr. KIND, Mr. SENSENBRENNER, Mr. FRANKS of Arizona, Mr. ISSA, Mr. CONAWAY, Ms. ESHOO, Ms. LOFGREN, and Mr. BUTTERFIELD) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To make permanent the Internal Revenue Service Free File program.

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 “Free File Permanence  
5 Act of 2017”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds the following:

8 (1) The Internal Revenue Service Free File  
9 program (hereinafter referred to as the “IRS Free  
10 File Program”) as established by the IRS pursuant

1 to public rulemaking and set forth in the Federal  
2 Register, Vol. 67, No. 213, Monday, November 4,  
3 2002, pages 67247–67251, and in implementing  
4 agreements and governing rules and requirements  
5 between the IRS and the tax software and electronic  
6 industry between 2003 and 2015, has been success-  
7 ful and significant in the efforts of the Federal Gov-  
8 ernment to increase the electronic filing of individual  
9 income tax returns of low and moderate income tax-  
10 payers.

11 (2) By the end of the current tax return filing  
12 season more than 50,000,000 Federal individual in-  
13 come tax returns will have been prepared and filed  
14 electronically for free over the life of the IRS Free  
15 File program.

16 (3) The IRS Free File program offers Federal  
17 individual income tax return preparation and elec-  
18 tronic filing services to more than 70 percent of tax-  
19 payers, approximately 100,000,000 taxpayers at the  
20 end of the current tax filing period, with tax soft-  
21 ware and electronic filing provided at no cost to the  
22 taxpayers who use the service or to the Federal Gov-  
23 ernment from tax software and electronic filing com-  
24 panies participating in the program.

1           (4) By the end of the current tax return filing  
2           season, it is estimated that the IRS Free File pro-  
3           gram will have saved taxpayers approximately  
4           \$1,500,000,000 and will have saved the Federal  
5           Government about \$125,000,000 in processing costs.

6           (5) In addition to the IRS Free File Program,  
7           the Internal Revenue Service also provides Taxpayer  
8           Assistance Centers, Tax Counseling for the Elderly,  
9           and Volunteer Income Tax Assistance (VITA) pro-  
10          grams. Each of these programs represent important  
11          sources of taxpayer assistance and provide taxpayer  
12          services through different modalities to serve low  
13          and moderate income taxpayers.

14 **SEC. 3. FREE FILE PROGRAM.**

15          (a) The Secretary of the Treasury, or the Secretary's  
16          delegate, shall continue to operate the IRS Free File Pro-  
17          gram as established by the Internal Revenue Service and  
18          published in the Federal Register on November 4, 2002  
19          (67 Fed. Reg. 67247), including any subsequent agree-  
20          ments and governing rules established pursuant thereto.

21          (b) The IRS Free File Program shall continue to pro-  
22          vide free commercial-type online individual income tax  
23          preparation and electronic filing services to the lowest 70  
24          percent of taxpayers by income. The number of taxpayers  
25          eligible to receive such services each year shall be cal-

1 culated by the Internal Revenue Service annually based  
2 on prior year aggregate taxpayer adjusted gross income  
3 data.

4 (c) In addition to the services described in subsection  
5 (b), and in the same manner, the IRS Free File Program  
6 shall continue to make available to all taxpayers (without  
7 regard to income) a basic, online electronic fillable forms  
8 utility.

9 (d) The IRS Free File Program shall continue to  
10 work cooperatively with the private sector to provide the  
11 free individual income tax preparation and the electronic  
12 filing services described in subsections (b) and (c).

13 (e) The IRS Free File Program shall work coopera-  
14 tively with State government agencies to enhance and ex-  
15 pand the use of the program to provide needed benefits  
16 to the taxpayer while reducing the cost of processing re-  
17 turns.

18 (f) Nothing in this Act is intended to impact the con-  
19 tinuity of services provided under Taxpayer Assistance  
20 Centers, Tax Counseling for the Elderly, and Volunteer  
21 Income Tax Assistance programs.

22 **SEC. 4. INNOVATIONS.**

23 (a) The Secretary of the Treasury, or the Secretary's  
24 delegate, shall work with the private sector through the  
25 IRS Free File Program to identify and implement, con-

1 sistent with applicable law, innovative new program fea-  
2 tures to improve and simplify the taxpayer’s experience  
3 with completing and filing individual income tax returns  
4 in voluntary compliance.

5 (b) The Internal Revenue Service, and members of  
6 the tax software and electronic industry with whom the  
7 Internal Revenue Service works through the Free File  
8 Program, shall support and promote improvements within  
9 the program by mutually testing, piloting, and offering in-  
10 novative solutions to—

11 (1) simplify taxpayer compliance with the inter-  
12 nal revenue laws;

13 (2) reduce taxpayer compliance burdens;

14 (3) increase individual income tax return accu-  
15 racy through financial data authentication;

16 (4) strengthen the tax system against existing  
17 and emerging fraud and threats of fraud through cy-  
18 bersecurity collaboration;

19 (5) avoid duplication of effort in the tax system;

20 (6) simplify the tax system;

21 (7) maximize the use of electronic technology;

22 and

23 (8) reduce information reporting burdens.

1 **SEC. 5. REPORT TO CONGRESS.**

2 Not later than June 30th of each calendar year after  
3 2017, the Electronic Tax Administration Advisory Com-  
4 mittee, as established by 26 U.S.C. 6011 note, is required  
5 to file an annual report to the Committees on Ways and  
6 Means, Appropriations, and Committee on Finance, on—

7 (1) IRS Free File website statistics—percent-  
8 age of taxpayers who came to the site and completed  
9 a return;

10 (2) Free File program cybersecurity standards  
11 to protect taxpayers from Stolen Identity Refund  
12 Fraud;

13 (3) demographic information on taxpayers using  
14 Free File;

15 (4) IRS marketing and education efforts to pro-  
16 mote Free File to eligible taxpayers;

17 (5) simplifications and innovations to improve  
18 the Free File program for the next tax season to en-  
19 sure the program remains state-of-art; and

20 (6) State and local participation of IRS pro-  
21 grams that serve Free File eligible taxpayers.

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