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(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R.

To direct the Secretary of the Treasury to report to Congress regarding audit rates of taxpayers claiming the adoption tax credit and regarding the audit practices for refundable and nonrefundable personal tax credits.

IN THE HOUSE OF REPRESENTATIVES

Mr. MOORE of Utah introduced the following bill; which was referred to the Committee on _____

A BILL

To direct the Secretary of the Treasury to report to Congress regarding audit rates of taxpayers claiming the adoption tax credit and regarding the audit practices for refundable and nonrefundable personal tax credits.

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. ANNUAL REPORTS TO CONGRESS REGARDING**
4 **AUDIT RATES OF TAXPAYERS CLAIMING THE**
5 **ADOPTION TAX CREDIT.**

6 (a) INITIAL REPORT IN 2023.—

1 (1) IN GENERAL.—Not later than December 31,
2 2023, the Secretary of the Treasury shall submit a
3 written report to the Committee on Ways and Means
4 of the House of Representatives and the Committee
5 on Finance of the Senate comparing the auditing
6 rate of individuals who claim the adoption tax credit
7 to the auditing rate of comparable individuals who
8 did not claim such credit. Such report shall include
9 the following information stated separately with re-
10 spect to taxable years beginning in or with each of
11 calendar years 2008 through 2019:

12 (A) The auditing rate for individuals who
13 claim the adoption tax credit for such taxable
14 year, and such rate determined separately (for
15 each such taxable year) for:

16 (i) Each State (determined on the
17 basis of mailing address).

18 (ii) Joint returns.

19 (iii) Returns other than joint returns.

20 (B) The auditing rate for comparable indi-
21 viduals who did not claim the adoption tax
22 credit for such taxable year, and such rate de-
23 termined separately (for each such taxable) for
24 each category described in clauses (i), (ii), and
25 (iii) of subparagraph (A).

1 (2) COMPARABLE INDIVIDUAL.—For purposes
2 of this subsection, the term “comparable individual”
3 means, with respect to any taxable year, any indi-
4 vidual who files an income tax return for such tax-
5 able year and whose adjusted gross income (as de-
6 fined in section 23(b)(2)(B) of the Internal Revenue
7 Code of 1986) for such taxable year does not exceed
8 the dollar amount of adjusted gross income (as so
9 defined) at which the adoption tax credit is reduced
10 to zero for such taxable year.

11 (b) ANNUAL REPORTS.—

12 (1) FIRST ANNUAL REPORT IN 2024.—Not later
13 than the close of calendar year 2024, the Secretary
14 of the Treasury shall submit a written report to the
15 Committee on Ways and Means of the House of
16 Representatives and the Committee on Finance of
17 the Senate including the information described in
18 subparagraphs (A) and (B) of subsection (a)(1) with
19 respect to taxable years beginning in or with cal-
20 endar year 2020.

21 (2) SUBSEQUENT ANNUAL REPORTS THROUGH
22 2036.—With respect to each calendar year after
23 2024 and before 2037, paragraph (1) shall be ap-
24 plied by increasing “2024” and “2020” by the num-
25 ber of years equal to the excess of—

1 (A) such calendar year, over

2 (B) 2024.

3 **SEC. 2. REPORT TO CONGRESS REGARDING AUDITING**
4 **PRACTICES FOR REFUNDABLE AND NON-**
5 **REFUNDABLE PERSONAL TAX CREDITS.**

6 (a) IN GENERAL.—Not later than December 31,
7 2023, the Secretary of the Treasury shall submit a written
8 report to the Committee on Ways and Means of the House
9 of Representatives and the Committee on Finance of the
10 Senate regarding audit practices of the Internal Revenue
11 Service with respect to individuals who claim refundable
12 credits and individuals who claim nonrefundable credits.
13 Such report shall include—

14 (1) a comparison (stated separately for various
15 income categories) of the auditing rate for individ-
16 uals who claim one or more refundable credits (other
17 than any credit which constitutes an overpayment of
18 tax) and the auditing rate for individuals who claim
19 one or more nonrefundable personal credits, and

20 (2) a description of any policies or practices of
21 the Internal Revenue Service which create, or which
22 would tend to create, a discrepancy between the au-
23 diting rates of the taxpayers described in paragraph
24 (1).

1 (b) PROTECTION OF TAX ADMINISTRATION AND
2 PREVENTION OF FRAUD.—The description referred to in
3 subsection (a)(2) shall be as detailed as possible without
4 disclosing information which would impair tax administra-
5 tion or aid in the commission of fraud.