

109TH CONGRESS
2^D SESSION

H. R. 6327

To make certain management reforms to the Free File program of the
Internal Revenue Service.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2006

Ms. ZOE LOFGREN of California (for herself and Ms. ESHOO) introduced the
following bill; which was referred to the Committee on Ways and Means

A BILL

To make certain management reforms to the Free File
program of 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 “Free File Reform Act
5 of 2006”.

6 **SEC. 2. FREE FILE PROGRAM.**

7 (a) FINDING.—The Congress finds that it is impor-
8 tant to make certain management reforms to the Free File
9 program in order to ensure that the Free File program

1 operates in an optimal manner to assist those taxpayers
2 least able to afford electronically filing their returns of tax.

3 (b) MANAGEMENT REFORMS.—

4 (1) AVAILABILITY OF PROGRAM.—For all re-
5 turns of tax filed for taxable year 2006 and for sub-
6 sequent taxable years during which the Free File
7 program is in effect, the Commissioner of Internal
8 Revenue shall ensure, through the range of free
9 services presented through the Free File program,
10 that such services are made available to all tax-
11 payers eligible for the program in accordance with
12 the Agreement between the Free File Alliance and
13 the Internal Revenue Service, effective October 30,
14 2005, in particular those taxpayers eligible for the
15 earned income credit under section 32 of the Inter-
16 nal Revenue Code of 1986 and other lower income,
17 disadvantaged, and underserved taxpayers.

18 (2) REQUIREMENTS FOR PARTICIPATING COM-
19 PANIES.—The Commissioner of Internal Revenue
20 shall also ensure that, in connection with a tax-
21 payer's participation in the Free File program
22 through a website of the Internal Revenue Service,
23 each participating company in the Free File pro-
24 gram—

1 (A) does not market, advertise in any way,
2 or offer to sell products or services of any kind
3 during the preparation of a taxpayer's tax re-
4 turns through the Free File program,

5 (B) does not use information derived from
6 the content of the taxpayer's tax returns to ad-
7 vertise, market, or sell products or services of
8 any kind to the taxpayer after the taxpayer
9 uses the Free File program,

10 (C) offers only individual electronic tax
11 preparation and filing services that are com-
12 mercial services (as defined in subparagraph
13 (F) of the definition of the term "commercial
14 item" in section 4(12) of the Office of Federal
15 Procurement Policy Act (41 U.S.C. 403(12)),

16 (D) in addition to other requirements of
17 law, makes available its privacy policy to each
18 participating taxpayer through the website of
19 the Internal Revenue Service, including—

20 (i) its privacy policy concerning tax
21 return information obtained from such tax-
22 payer, and

23 (ii) that no selling, renting or trading
24 of such tax return information is per-
25 mitted, and

1 (E) meets at least the minimum require-
2 ments for a responsible source (as defined in
3 section 4(7) of the Office of Federal Procure-
4 ment Policy Act (41 U.S.C. 403(7)) that would
5 be used by the Government to evaluate each
6 such company if such company were being con-
7 sidered as a source for the provision of commer-
8 cial services under a contract with the Govern-
9 ment.

10 (c) ASSISTANCE TO STATE E-FILING.—The Commis-
11 sioner of Internal Revenue shall also ensure that the Free
12 File program assists State electronic filing objectives and
13 programs by encouraging participating companies in the
14 Free File program to voluntarily provide both Federal and
15 State return preparation services free to eligible taxpayers
16 residing in States with State Free File Alliances.

17 (d) FREE FILE PROGRAM DEFINED.—For purposes
18 of this section, the term “Free File program” means the
19 program established by the Internal Revenue Service to
20 provide certain taxpayers with the opportunity to elec-
21 tronically file their returns of income tax free of charge.

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