

105<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

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**H. R. 1226**

**AN ACT**

To amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information.

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## AN ACT

To amend the Internal Revenue Code of 1986 to prevent the unauthorized inspection of tax returns or tax return information.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Taxpayer Browsing  
3 Protection Act”.

4 **SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX**  
5 **RETURNS OR TAX RETURN INFORMATION.**

6 (a) IN GENERAL.—Part I of subchapter A of chapter  
7 75 of the Internal Revenue Code of 1986 (relating to  
8 crimes, other offenses, and forfeitures) is amended by add-  
9 ing after section 7213 the following new section:

10 **“SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR**  
11 **RETURN INFORMATION.**

12 “(a) PROHIBITIONS.—

13 “(1) FEDERAL EMPLOYEES AND OTHER PER-  
14 SONS.—It shall be unlawful for—

15 “(A) any officer or employee of the United  
16 States, or

17 “(B) any person described in section  
18 6103(n) or an officer or employee of any such  
19 person,

20 willfully to inspect, except as authorized in this title,  
21 any return or return information.

22 “(2) STATE AND OTHER EMPLOYEES.—It shall  
23 be unlawful for any person (not described in para-  
24 graph (1)) willfully to inspect, except as authorized  
25 in this title, any return or return information ac-  
26 quired by such person or another person under a

1 provision of section 6103 referred to in section  
2 7213(a)(2).

3 “(b) PENALTY.—

4 “(1) IN GENERAL.—Any violation of subsection  
5 (a) shall be punishable upon conviction by a fine in  
6 any amount not exceeding \$1,000, or imprisonment  
7 of not more than 1 year, or both, together with the  
8 costs of prosecution.

9 “(2) FEDERAL OFFICERS OR EMPLOYEES.—An  
10 officer or employee of the United States who is con-  
11 victed of any violation of subsection (a) shall, in ad-  
12 dition to any other punishment, be dismissed from  
13 office or discharged from employment.

14 “(c) DEFINITIONS.—For purposes of this section, the  
15 terms ‘inspect’, ‘return’, and ‘return information’ have the  
16 respective meanings given such terms by section  
17 6103(b).”.

18 (b) TECHNICAL AMENDMENTS.—

19 (1) Paragraph (2) of section 7213(a) of such  
20 Code is amended by inserting “(5),” after “(m)(2),  
21 (4),”.

22 (2) The table of sections for part I of sub-  
23 chapter A of chapter 75 of such Code 1986 is  
24 amended by inserting after the item relating to sec-  
25 tion 7213 the following new item:

“Sec. 7213A. Unauthorized inspection of returns or return information.”.

1 (c) EFFECTIVE DATE.—The amendments made by  
 2 this section shall apply to violations occurring on and after  
 3 the date of the enactment of this Act.

4 **SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION**  
 5 **OF RETURNS AND RETURN INFORMATION;**  
 6 **NOTIFICATION OF UNLAWFUL INSPECTION**  
 7 **OR DISCLOSURE.**

8 (a) CIVIL DAMAGES FOR UNAUTHORIZED INSPEC-  
 9 TION.—Subsection (a) of section 7431 of the Internal Rev-  
 10 enue Code of 1986 is amended—

11 (1) by striking “DISCLOSURE” in the headings  
 12 for paragraphs (1) and (2) and inserting “INSPEC-  
 13 TION OR DISCLOSURE”, and

14 (2) by striking “discloses” in paragraphs (1)  
 15 and (2) and inserting “inspects or discloses”.

16 (b) NOTIFICATION OF UNLAWFUL INSPECTION OR  
 17 DISCLOSURE.—Section 7431 of such Code is amended by  
 18 redesignating subsections (e) and (f) as subsections (f)  
 19 and (g), respectively, and by inserting after subsection (d)  
 20 the following new subsection:

21 “(e) NOTIFICATION OF UNLAWFUL INSPECTION AND  
 22 DISCLOSURE.—If any person is criminally charged by in-  
 23 dictment or information with inspection or disclosure of  
 24 a taxpayer’s return or return information in violation of—

25 “(1) paragraph (1) or (2) of section 7213(a),

1 “(2) section 7213A(a), or

2 “(3) subparagraph (B) of section 1030(a)(2) of  
3 title 18, United States Code,

4 the Secretary shall notify such taxpayer as soon as prac-  
5 ticable of such inspection or disclosure.”.

6 (c) NO DAMAGES FOR INSPECTION REQUESTED BY  
7 TAXPAYER.—Subsection (b) of section 7431 of such Code  
8 is amended to read as follows:

9 “(b) EXCEPTIONS.—No liability shall arise under this  
10 section with respect to any inspection or disclosure—

11 “(1) which results from a good faith, but erro-  
12 neous, interpretation of section 6103, or

13 “(2) which is requested by the taxpayer.”.

14 (d) CONFORMING AMENDMENTS.—

15 (1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d)  
16 of section 7431 of such Code are each amended by  
17 inserting “inspection or” before “disclosure”.

18 (2) Clause (ii) of section 7431(c)(1)(B) of such  
19 Code is amended by striking “willful disclosure or a  
20 disclosure” and inserting “willful inspection or dis-  
21 closure or an inspection or disclosure”.

22 (3) Subsection (f) of section 7431 of such Code,  
23 as redesignated by subsection (b), is amended to  
24 read as follows:

1 “(f) DEFINITIONS.—For purposes of this section, the  
2 terms ‘inspect’, ‘inspection’, ‘return’, and ‘return informa-  
3 tion’ have the respective meanings given such terms by  
4 section 6103(b).”.

5 (4) The section heading for section 7431 of  
6 such Code is amended by inserting “**INSPECTION**  
7 **OR**” before “**DISCLOSURE**”.

8 (5) The table of sections for subchapter B of  
9 chapter 76 of such Code is amended by inserting  
10 “inspection or” before “disclosure” in the item relat-  
11 ing to section 7431.

12 (6) Paragraph (2) of section 7431(g) of such  
13 Code, as redesignated by subsection (b), is amended  
14 by striking “any use” and inserting “any inspection  
15 or use”.

16 (e) EFFECTIVE DATE.—The amendments made by  
17 this section shall apply to inspections and disclosures oc-  
18 ccurring on and after the date of the enactment of this  
19 Act.

Passed the House of Representatives April 15, 1997.

Attest:

*Clerk.*