

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”.

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