

118TH CONGRESS
1ST SESSION

S. 1054

To reduce improper payments and eliminate waste in Federal programs,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 29, 2023

Mr. BRAUN introduced the following bill; which was read twice and referred
to the Committee on Homeland Security and Governmental Affairs

A BILL

To reduce improper payments and eliminate waste in Federal
programs, and for other purposes.

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 “IRS Improper Pay-
5 ments Act”.

6 **SEC. 2. FINDINGS AND PURPOSE.**

7 (a) FINDINGS.—Congress finds that when the Inter-
8 nal Revenue Service makes payments to taxpayers, the In-
9 ternal Revenue Services must make every effort to confirm

1 that the right recipient is receiving the right payment for
2 the right reason at the right time.

3 (b) PURPOSE.—The purpose of this Act is to—

4 (1) reduce improper tax payments by the Inter-
5 nal Revenue Service—

6 (A) by intensifying efforts to eliminate
7 payment error, waste, fraud, and abuse; and

8 (B) by continuing to ensure that the Inter-
9 nal Revenue Service provides accessible tax-
10 payer services;

11 (2) adopt a comprehensive set of policies, in-
12 cluding—

13 (A) transparency of significant improper
14 tax payments; and

15 (B) accountability for reducing improper
16 tax payments; and

17 (3) protect taxpayer services.

18 **SEC. 3. IMPROPER TAX PAYMENT DEFINED.**

19 For purposes of this Act, the term “improper tax
20 payment” means any credit or refund of an overpayment
21 of a tax imposed under the Internal Revenue Code of 1986
22 that should not have been made or that was made in an
23 incorrect amount.

1 **SEC. 4. TRANSPARENCY.**

2 (a) IN GENERAL.—Not later than 90 days after the
3 date of enactment of this section, the Secretary of the
4 Treasury shall establish, in coordination with the Commis-
5 sioner of Internal Revenue, annual targets for reducing
6 improper tax payments made by the Internal Revenue
7 Service.

8 (b) PUBLISHED INFORMATION.—

9 (1) IN GENERAL.—Not later than 180 days
10 after the date of enactment of this section, and an-
11 nually thereafter, the Secretary of the Treasury shall
12 publish on the internet information about improper
13 tax payments made by the Internal Revenue Service.

14 (2) CONTENTS.—The information published
15 under paragraph (1) shall include, subject to Fed-
16 eral privacy policies and to the extent permitted by
17 law—

18 (A) the name of the accountable official
19 designated under section 5(a);

20 (B) rates and amounts as of the date of
21 enactment of this section, and historical rates
22 and amounts, of improper tax payments made
23 by the Internal Revenue Service, including, if
24 known and appropriate, the causes of the im-
25 proper tax payments;

1 (C) rates and amounts as of the date of
 2 enactment of this section, and historical rates
 3 and amounts, of the recovery of improper tax
 4 payments (estimated on the basis of applicable
 5 samples where appropriate); and

6 (D) the annual targets for reducing im-
 7 proper tax payments.

8 (c) METHODOLOGY.—The methodology used for iden-
 9 tifying and measuring improper tax payments under this
 10 section shall meet the requirement of section
 11 3352(c)(1)(A) of title 31, United States Code.

12 (d) LINKS.—The Commissioner of Internal Revenue
 13 shall prominently display on the homepage of the website
 14 of the Internal Revenue Service a link to internet-based
 15 resources for addressing improper tax payments, including
 16 the information published under subsection (b)(1).

17 **SEC. 5. ACCOUNTABILITY AND COORDINATION.**

18 (a) ACCOUNTABLE OFFICIALS.—Not later than 120
 19 days after the date of enactment of this section, the Com-
 20 missioner of Internal Revenue shall designate an official
 21 to be accountable for meeting the reduction targets under
 22 section 4(a) without unduly burdening taxpayer services.

23 (b) REPORT.—

24 (1) IN GENERAL.—Not later than 180 days
 25 after the date of enactment of this section, and an-

1 nually thereafter, the official who is designated
2 under subsection (a) shall provide the Director of
3 the Office of Management and Budget and the ap-
4 propriate congressional committees a report that in-
5 cludes—

6 (A) the methodology used for identifying
7 and measuring improper tax payments under
8 section 4(c);

9 (B) the plans for meeting the reduction
10 targets under section 4(a); and

11 (C) the plans and supporting analysis for
12 ensuring that initiatives undertaken in accord-
13 ance with this title do not unduly burden tax-
14 payer services.

15 (2) APPROPRIATE CONGRESSIONAL COMMIT-
16 TEES.—For purposes of paragraph (1), the term
17 “appropriate congressional committees” means the
18 Committee on Finance of the Senate and the Com-
19 mittee on Ways and Means of the House of Rep-
20 resentatives.

21 (c) DUTIES OF INSPECTOR GENERAL.—Not later
22 than 60 days after the date on which the annual report
23 required under subsection (b) is submitted, the Treasury
24 Inspector General for Tax Administration shall—

1 (1) assess the level of risk for improper tax
2 payments by the Internal Revenue Service;

3 (2) determine the extent of oversight warranted
4 (in addition to oversight requirements under section
5 3353 of title 31, United States Code); and

6 (3) provide the Commissioner of Internal Rev-
7 enue with recommendations, if any, for modifying
8 the methodology, improper tax payment reduction
9 plans, or taxpayer services.

10 (d) AGENCY FAILURE.—

11 (1) IN GENERAL.—If the Internal Revenue
12 Service does not demonstrate an improvement in re-
13 ducing improper tax payments, fails to develop a
14 plan to meet reduction targets under subsection
15 (b)(1)(B), or fails to implement the plans described
16 in subsection (b)(1)(C) for not less than 2 consecu-
17 tive years, the official designated under subsection
18 (a) shall submit to the Commissioner of Internal
19 Revenue, the Treasury Inspector General for Tax
20 Administration, and the Chief Financial Officer of
21 the Internal Revenue Service a report that—

22 (A) describe the likely causes of the lack or
23 improvement or failure; and

24 (B) proposes a remedial plan.

1 (2) REVIEW.—Annually, the Commissioner of
2 Internal Revenue shall, with respect to a remedial
3 plan proposed under paragraph (1)(B)—

4 (A) review the remedial plan; and

5 (B) in consultation with the Treasury In-
6 spector General for Tax Administration and
7 Chief Financial Officer of the Internal Revenue
8 Service, forward the remedial plan and any ad-
9 ditional comments and analysis to the Director
10 of the Office of Management and Budget.

11 **SEC. 6. POLICY PROPOSALS.**

12 (a) IN GENERAL.—Not later than 180 days after the
13 date of enactment of this section, the Secretary of the
14 Treasury, in consultation with the Commissioner of Inter-
15 nal Revenue and the Treasury Inspector General for Tax
16 Administration, shall develop policy recommendations, in-
17 cluding potential legislative proposals, designed to reduce
18 improper tax payments, including improper tax payments
19 caused by error, waste, fraud, and abuse, made by the In-
20 ternal Revenue Service.

21 (b) INCLUSION.—The recommendations developed
22 under subsection (a) shall be included, as appropriate, in
23 the budget of the President under section 1105(a) of title

1 31, United States Code, for fiscal year 2024 and each fis-
2 cal year thereafter.

