

statements, information returns, and tax returns described in section 7529(b)(2) of the Internal Revenue Code of 1986 (as added by subsection (a)) for any evidence of employment-related identity theft, regardless of whether such statements or returns are submitted electronically or on paper.”

UNDERREPORTING OF INCOME

Pub. L. 116-25, title II, §2007(b)(3), July 1, 2019, 133 Stat. 1006, provided that: “The Secretary of the Treasury (or the Secretary’s delegate) shall establish procedures to ensure that income reported in connection with the unauthorized use of a taxpayer’s identity is not taken into account in determining any penalty for underreporting of income by the victim of identity theft.”

GUIDELINES FOR STOLEN IDENTITY REFUND FRAUD CASES

Pub. L. 116-25, title II, §2008, July 1, 2019, 133 Stat. 1006, provided that:

“(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act [July 1, 2019], the Secretary of the Treasury (or the Secretary’s delegate), in consultation with the National Taxpayer Advocate, shall develop and implement publicly available guidelines for management of cases involving stolen identity refund fraud in a manner that reduces the administrative burden on taxpayers who are victims of such fraud.

“(b) STANDARDS AND PROCEDURES TO BE CONSIDERED.—The guidelines described in subsection (a) may include—

“(1) standards for—

“(A) the average length of time in which a case involving stolen identity refund fraud should be resolved;

“(B) the maximum length of time, on average, a taxpayer who is a victim of stolen identity refund fraud and is entitled to a tax refund which has been stolen should have to wait to receive such refund; and

“(C) the maximum number of offices and employees within the Internal Revenue Service with whom a taxpayer who is a victim of stolen identity refund fraud should be required to interact in order to resolve a case;

“(2) standards for opening, assigning, reassigning, or closing a case involving stolen identity refund fraud; and

“(3) procedures for implementing and accomplishing the standards described in paragraphs (1) and (2), and measures for evaluating such procedures and determining whether such standards have been successfully implemented.”

CHAPTER 78—DISCOVERY OF LIABILITY AND ENFORCEMENT OF TITLE

Table with 2 columns: Subchapter and Sec.1. Rows include A. Examination and inspection (7601), B. General powers and duties (7621), [C. Repealed.], and D. Possessions (7651).

AMENDMENTS

Pub. L. 94-455, title XIX, §1906(b)(13), Oct. 4, 1976, 90 Stat. 1834, struck out subchapter C relating to supervision of operations of certain manufacturers.

Subchapter A—Examination and Inspection

Table with 2 columns: Sec. and description. Rows include 7601. Canvass of districts for taxable persons and objects, 7602. Examination of books and witnesses, 7603. Service of summons, and 7604. Enforcement of summons.

1 Section numbers editorially supplied.

Table with 2 columns: Sec. and description. Rows include 7605. Time and place of examination, 7606. Entry of premises for examination of taxable objects, [7607. Repealed.], 7608. Authority of internal revenue enforcement officers, 7609. Special procedures for third-party summonses, 7610. Fees and costs for witnesses, 7611. Restrictions on church tax inquiries and examinations, 7612. Special procedures for summonses for computer software, and 7613. Cross references.

AMENDMENTS

1998—Pub. L. 105-206, title III, §3413(d), July 22, 1998, 112 Stat. 754, added items 7612 and 7613 and struck out former item 7612 “Cross references”.

1984—Pub. L. 98-573, title II, §213(b)(2), Oct. 30, 1984, 98 Stat. 2988, struck out item 7607 “Additional authority for Bureau of Customs”.

Pub. L. 98-369, div. A, title X, §1033(c)(2), July 18, 1984, 98 Stat. 1039, added item 7611 and redesignated former item 7611 as 7612.

1976—Pub. L. 94-455, title XII, §1205(b), Oct. 4, 1976, 90 Stat. 1702, substituted “Special procedures for third-party summonses” for “Cross references” in item 7609 and added items 7610 and 7611.

1970—Pub. L. 91-513, title III, §1102(g)(2), Oct. 27, 1970, 84 Stat. 1293, struck out “Bureau of Narcotics and” before “Bureau of Customs” in item 7607.

1958—Pub. L. 85-859, title II, §204(16), Sept. 2, 1958, 72 Stat. 1430, added item 7608 and redesignated former item 7608 as 7609.

1956—Act July 18, 1956, ch. 629, §104(b), 70 Stat. 570, added item 7607 and redesignated former item 7607 as 7608.

§ 7601. Canvass of districts for taxable persons and objects

(a) General rule

The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Treasury Department to proceed, from time to time, through each internal revenue district and inquire after and concerning all persons therein who may be liable to pay any internal revenue tax, and all persons owning or having the care and management of any objects with respect to which any tax is imposed.

(b) Penalties

For penalties applicable to forcible obstruction or hindrance of Treasury officers or employees in the performance of their duties, see section 7212.

(Aug. 16, 1954, ch. 736, 68A Stat. 901; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834.)

AMENDMENTS

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary”.

§ 7602. Examination of books and witnesses

(a) Authority to summon, etc.

For the purpose of ascertaining the correctness of any return, making a return where none has been made, determining the liability of any person for any internal revenue tax or the liability at law or in equity of any transferee or fiduciary of any person in respect of any internal revenue tax, or collecting any such liability, the Secretary is authorized—

(1) To examine any books, papers, records, or other data which may be relevant or material to such inquiry;

(2) To summon the person liable for tax or required to perform the act, or any officer or employee of such person, or any person having possession, custody, or care of books of account containing entries relating to the business of the person liable for tax or required to perform the act, or any other person the Secretary may deem proper, to appear before the Secretary at a time and place named in the summons and to produce such books, papers, records, or other data, and to give such testimony, under oath, as may be relevant or material to such inquiry; and

(3) To take such testimony of the person concerned, under oath, as may be relevant or material to such inquiry.

(b) Purpose may include inquiry into offense

The purposes for which the Secretary may take any action described in paragraph (1), (2), or (3) of subsection (a) include the purpose of inquiring into any offense connected with the administration or enforcement of the internal revenue laws.

(c) Notice of contact of third parties

(1) General notice

An officer or employee of the Internal Revenue Service may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer unless such contact occurs during a period (not greater than 1 year) which is specified in a notice which—

(A) informs the taxpayer that contacts with persons other than the taxpayer are intended to be made during such period, and

(B) except as otherwise provided by the Secretary, is provided to the taxpayer not later than 45 days before the beginning of such period.

Nothing in the preceding sentence shall prevent the issuance of notices to the same taxpayer with respect to the same tax liability with periods specified therein that, in the aggregate, exceed 1 year. A notice shall not be issued under this paragraph unless there is an intent at the time such notice is issued to contact persons other than the taxpayer during the period specified in such notice. The preceding sentence shall not prevent the issuance of a notice if the requirement of such sentence is met on the basis of the assumption that the information sought to be obtained by such contact will not be obtained by other means before such contact.

(2) Notice of specific contacts

The Secretary shall periodically provide to a taxpayer a record of persons contacted during such period by the Secretary with respect to the determination or collection of the tax liability of such taxpayer. Such record shall also be provided upon request of the taxpayer.

(3) Exceptions

This subsection shall not apply—

(A) to any contact which the taxpayer has authorized;

(B) if the Secretary determines for good cause shown that such notice would jeopardize collection of any tax or such notice may involve reprisal against any person; or

(C) with respect to any pending criminal investigation.

(d) No administrative summons when there is Justice Department referral

(1) Limitation of authority

No summons may be issued under this title, and the Secretary may not begin any action under section 7604 to enforce any summons, with respect to any person if a Justice Department referral is in effect with respect to such person.

(2) Justice Department referral in effect

For purposes of this subsection—

(A) In general

A Justice Department referral is in effect with respect to any person if—

(i) the Secretary has recommended to the Attorney General a grand jury investigation of, or the criminal prosecution of, such person for any offense connected with the administration or enforcement of the internal revenue laws, or

(ii) any request is made under section 6103(h)(3)(B) for the disclosure of any return or return information (within the meaning of section 6103(b)) relating to such person.

(B) Termination

A Justice Department referral shall cease to be in effect with respect to a person when—

(i) the Attorney General notifies the Secretary, in writing, that—

(I) he will not prosecute such person for any offense connected with the administration or enforcement of the internal revenue laws,

(II) he will not authorize a grand jury investigation of such person with respect to such an offense, or

(III) he will discontinue such a grand jury investigation,

(ii) a final disposition has been made of any criminal proceeding pertaining to the enforcement of the internal revenue laws which was instituted by the Attorney General against such person, or

(iii) the Attorney General notifies the Secretary, in writing, that he will not prosecute such person for any offense connected with the administration or enforcement of the internal revenue laws relating to the request described in subparagraph (A)(ii).

(3) Taxable years, etc., treated separately

For purposes of this subsection, each taxable period (or, if there is no taxable period, each taxable event) and each tax imposed by a separate chapter of this title shall be treated separately.

(e) Limitation on examination on unreported income

The Secretary shall not use financial status or economic reality examination techniques to de-

termine the existence of unreported income of any taxpayer unless the Secretary has a reasonable indication that there is a likelihood of such unreported income.

(f) Limitation on access of persons other than Internal Revenue Service officers and employees

The Secretary shall not, under the authority of section 6103(n), provide any books, papers, records, or other data obtained pursuant to this section to any person authorized under section 6103(n), except when such person requires such information for the sole purpose of providing expert evaluation and assistance to the Internal Revenue Service. No person other than an officer or employee of the Internal Revenue Service or the Office of Chief Counsel may, on behalf of the Secretary, question a witness under oath whose testimony was obtained pursuant to this section.

(Aug. 16, 1954, ch. 736, 68A Stat. 901; Pub. L. 94-455, title XIX, §1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 97-248, title III, §333(a), Sept. 3, 1982, 96 Stat. 622; Pub. L. 105-206, title III, §§3412, 3417(a), July 22, 1998, 112 Stat. 751, 757; Pub. L. 116-25, title I, §§1206(a), 1208(a), July 1, 2019, 133 Stat. 990, 991.)

AMENDMENTS

2019—Subsec. (c)(1). Pub. L. 116-25, §1206(a), amended par. (1) generally. Prior to amendment, text read as follows: “An officer or employee of the Internal Revenue Service may not contact any person other than the taxpayer with respect to the determination or collection of the tax liability of such taxpayer without providing reasonable notice in advance to the taxpayer that contacts with persons other than the taxpayer may be made.”

Subsec. (f). Pub. L. 116-25, §1208(a), added subsec. (f). 1998—Subsec. (c). Pub. L. 105-206, §3417(a), added subsec. (c). Former subsec. (c) redesignated (d).

Subsec. (d). Pub. L. 105-206, §3417(a), redesignated subsec. (c) as (d). Former subsec. (d) redesignated (e).

Pub. L. 105-206, §3412, added subsec. (d).

Subsec. (e). Pub. L. 105-206, §3417(a), redesignated subsec. (d) as (e).

1982—Pub. L. 97-248 redesignated existing provisions as subsec. (a), added subsec. (a) heading, and added subsecs. (b) and (c).

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

EFFECTIVE DATE OF 2019 AMENDMENT

Pub. L. 116-25, title I, §1206(b), July 1, 2019, 133 Stat. 990, provided that: “The amendment made by this section [amending this section] shall apply to notices provided, and contacts of persons made, after the date which is 45 days after the date of the enactment of this Act [July 1, 2019].”

Pub. L. 116-25, title I, §1208(b), July 1, 2019, 133 Stat. 991, provided that: “The amendment made by this section [amending this section]—

“(1) shall take effect on the date of the enactment of this Act [July 1, 2019]; and

“(2) shall not fail to apply to a contract in effect under section 6103(n) of the Internal Revenue Code of 1986 merely because such contract was in effect before the date of the enactment of this Act.”

EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-206, title III, §3417(b), July 22, 1998, 112 Stat. 758, provided that: “The amendments made by subsection (a) [amending this section] shall apply to contacts made after the 180th day after the date of the enactment of this Act [July 22, 1998].”

EFFECTIVE DATE OF 1982 AMENDMENT

Pub. L. 97-248, title III, §333(b), Sept. 3, 1982, 96 Stat. 623, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on the day after the date of the enactment of this Act [Sept. 3, 1982].”

§ 7603. Service of summons

(a) In general

A summons issued under section 6420(e)(2), 6421(g)(2), 6427(j)(2), or 7602 shall be served by the Secretary, by an attested copy delivered in hand to the person to whom it is directed, or left at his last and usual place of abode; and the certificate of service signed by the person serving the summons shall be evidence of the facts it states on the hearing of an application for the enforcement of the summons. When the summons requires the production of books, papers, records, or other data, it shall be sufficient if such books, papers, records, or other data are described with reasonable certainty.

(b) Service by mail to third-party recordkeepers

(1) In general

A summons referred to in subsection (a) for the production of books, papers, records, or other data by a third-party recordkeeper may also be served by certified or registered mail to the last known address of such recordkeeper.

(2) Third-party recordkeeper

For purposes of paragraph (1), the term “third-party recordkeeper” means—

(A) any mutual savings bank, cooperative bank, domestic building and loan association, or other savings institution chartered and supervised as a savings and loan or similar association under Federal or State law, any bank (as defined in section 581), or any credit union (within the meaning of section 501(c)(14)(A)),

(B) any consumer reporting agency (as defined under section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f))),

(C) any person extending credit through the use of credit cards or similar devices,

(D) any broker (as defined in section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4))),

(E) any attorney,

(F) any accountant,

(G) any barter exchange (as defined in section 6045(c)(3)),

(H) any regulated investment company (as defined in section 851) and any agent of such regulated investment company when acting as an agent thereof,

(I) any enrolled agent, and

(J) any owner or developer of a computer software source code (as defined in section 7612(d)(2)).

Subparagraph (J) shall apply only with respect to a summons requiring the production of the source code referred to in subparagraph (J) or the program and data described in section 7612(b)(1)(A)(ii) to which such source code relates.

(Aug. 16, 1954, ch. 736, 68A Stat. 902; Apr. 2, 1956, ch. 160, §4(i), 70 Stat. 91; June 29, 1956, ch. 462,