

SINGLE POINT OF CONTACT FOR TAX-RELATED IDENTITY  
THEFT VICTIMS

Pub. L. 116-25, title II, §2006, July 1, 2019, 133 Stat. 1004, provided that:

“(a) IN GENERAL.—The Secretary of the Treasury (or the Secretary’s delegate) shall establish and implement procedures to ensure that any taxpayer whose return has been delayed or otherwise adversely affected due to tax-related identity theft has a single point of contact at the Internal Revenue Service throughout the processing of the taxpayer’s case. The single point of contact shall track the taxpayer’s case to completion and coordinate with other Internal Revenue Service employees to resolve case issues as quickly as possible.

“(b) SINGLE POINT OF CONTACT.—

“(1) IN GENERAL.—For purposes of subsection (a), the single point of contact shall consist of a team or subset of specially trained employees who—

“(A) have the ability to work across functions to resolve the issues involved in the taxpayer’s case; and

“(B) shall be accountable for handling the case until its resolution.

“(2) TEAM OR SUBSET.—The employees included within the team or subset described in paragraph (1) may change as required to meet the needs of the Internal Revenue Service, provided that procedures have been established to—

“(A) ensure continuity of records and case history; and

“(B) notify the taxpayer when appropriate.”

EXAMINATION OF BOTH PAPER AND ELECTRONIC  
STATEMENTS AND RETURNS

Pub. L. 116-25, title II, §2007(b)(1), July 1, 2019, 133 Stat. 1006, provided that: “The Secretary of the Treasury (or the Secretary’s delegate) shall examine the 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.”

§ 7530. Application of earned income tax credit to  
possessions of the United States

(a) Puerto Rico

(1) In general

With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to Puerto Rico equal to—

(A) the specified matching amount for such calendar year, plus

(B) in the case of calendar years 2021 through 2025, the lesser of—

(i) the expenditures made by Puerto Rico during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to the earned income tax credit, or

(ii) \$1,000,000.

(2) Requirement to reform earned income tax  
credit

The Secretary shall not make any payments under paragraph (1) with respect to any calendar year unless Puerto Rico has in effect an earned income tax credit for taxable years beginning in or with such calendar year which (relative to the earned income tax credit which was in effect for taxable years beginning in or with calendar year 2019) increases the percentage of earned income which is allowed as a credit for each group of individuals with respect to which such percentage is separately stated or determined in a manner designed to substantially increase workforce participation.

(3) Specified matching amount

For purposes of this subsection—

(A) In general

The term “specified matching amount” means, with respect to any calendar year, the lesser of—

(i) the excess (if any) of—

(I) the cost to Puerto Rico of the earned income tax credit for taxable years beginning in or with such calendar year, over

(II) the base amount for such calendar year, or

(ii) the product of 3, multiplied by the base amount for such calendar year.

(B) Base amount

(i) Base amount for 2021

In the case of calendar year 2021, the term “base amount” means the greater of—

(I) the cost to Puerto Rico of the earned income tax credit for taxable

years beginning in or with calendar year 2019 (rounded to the nearest multiple of \$1,000,000), or  
(II) \$200,000,000.

**(ii) Inflation adjustment**

In the case of any calendar year after 2021, the term “base amount” means the dollar amount determined under clause (i) increased by an amount equal to—

- (I) such dollar amount, multiplied by—
- (II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting “calendar year 2020” for “calendar year 2016” in subparagraph (A)(ii) thereof.

Any amount determined under this clause shall be rounded to the nearest multiple of \$1,000,000.

**(4) Rules related to payments**

**(A) Timing of payments**

The Secretary shall make payments under paragraph (1) for any calendar year—

- (i) after receipt of such information as the Secretary may require to determine such payments, and
- (ii) except as provided in clause (i), within a reasonable period of time before the due date for individual income tax returns (as determined under the laws of Puerto Rico) for taxable years which began on the first day of such calendar year.

**(B) Information**

The Secretary may require the reporting of such information as the Secretary may require to carry out this subsection.

**(C) Determination of cost of earned income tax credit**

For purposes of this subsection, the cost to Puerto Rico of the earned income tax credit shall be determined by the Secretary on the basis of the laws of Puerto Rico and shall include reductions in revenues received by Puerto Rico by reason of such credit and refunds attributable to such credit, but shall not include any administrative costs with respect to such credit.

**(b) Possessions with mirror code tax systems**

**(1) In general**

With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to the Virgin Islands, Guam, and the Commonwealth of the Northern Mariana Islands equal to—

- (A) the cost to such possession of the earned income tax credit for taxable years beginning in or with such calendar year, plus
- (B) in the case of calendar years 2021 through 2025, the lesser of—
  - (i) the expenditures made by such possession during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to such earned income tax credit, or
  - (ii) \$50,000.

**(2) Application of certain rules**

Rules similar to the rules of subparagraphs (A), (B), and (C) of subsection (a)(4) shall apply for purposes of this subsection.

**(c) American Samoa**

**(1) In general**

With respect to calendar year 2021 and each calendar year thereafter, the Secretary shall, except as otherwise provided in this subsection, make payments to American Samoa equal to—

- (A) the lesser of—
  - (i) the cost to American Samoa of the earned income tax credit for taxable years beginning in or with such calendar year, or
  - (ii) \$16,000,000, plus
- (B) in the case of calendar years 2021 through 2025, the lesser of—
  - (i) the expenditures made by American Samoa during such calendar year for education efforts with respect to individual taxpayers and tax return preparers relating to such earned income tax credit, or
  - (ii) \$50,000.

**(2) Requirement to enact and maintain an earned income tax credit**

The Secretary shall not make any payments under paragraph (1) with respect to any calendar year unless American Samoa has in effect an earned income tax credit for taxable years beginning in or with such calendar year which allows a refundable tax credit to individuals on the basis of the taxpayer’s earned income which is designed to substantially increase workforce participation.

**(3) Inflation adjustment**

In the case of any calendar year after 2021, the \$16,000,000 amount in paragraph (1)(A)(ii) shall be increased by an amount equal to—

- (A) such dollar amount, multiplied by—
- (B) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting “calendar year 2020” for “calendar year 2016” in subparagraph (A)(ii) thereof.

Any increase determined under this clause shall be rounded to the nearest multiple of \$100,000.

**(4) Application of certain rules**

Rules similar to the rules of subparagraphs (A), (B), and (C) of subsection (a)(4) shall apply for purposes of this subsection.

**(d) Treatment of payments**

For purposes of section 1324 of title 31, United States Code, the payments under this section shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(Added Pub. L. 117-2, title IX, §9625(a), Mar. 11, 2021, 135 Stat. 155.)

**CHAPTER 78—DISCOVERY OF LIABILITY AND ENFORCEMENT OF TITLE**

Subchapter	Sec. <sup>1</sup>
A. Examination and inspection .....	7601

<sup>1</sup> Section numbers editorially supplied.