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Congress of the United States
House of Representatives

XAVIER BECERRA
31ST DISTRICT, CALIFORNIA
April 9, 2008

COMMITTEE ON THE BUDGET

ASSISTANT TO THE
SPEAKER OF THE HOUSE

The Taxpayer Bill of Rights Act of 2008

Dear Colleague,

I invite you to be a cosponsor of H.R. 5716 The Taxpayer Bill of Rights Act of 2008. This bill would protect taxpayers from tax return preparers and lenders of refund anticipation loans (RALs) who act unscrupulously. The bill also would clarify taxpayer rights and obligations, establish a grant program for free tax preparation and representation clinics, and help provide access to financial institutions for low-income taxpayers without a bank account.

Specifically, the Taxpayer Bill of Rights Act of 2008 would:

- **Clarify a Taxpayer Bill of Rights.** The bill would require that the Treasury Department publish an easy-to-understand document which states all the current rights and obligations of taxpayers and lists its corresponding location. Additionally, there is a provision to provide this list of rights and obligations in a single location within the tax code itself.
- **Regulate Compensated Tax Return Preparers.** To ensure that taxpayers receive the highest quality tax preparation services, the bill would require that the Treasury Department regulate unenrolled tax return preparers, who unlike certified public accountants, attorneys, enrolled agents, or enrolled actuaries are not regulated. Many taxpayers, tax professionals and the National Taxpayer Advocate have been calling for federal regulation of paid tax return preparers for years.
- **Monitor Refund Anticipation Loans.** The Treasury Department would be required to set up a registration program for all those involved in the process of facilitating a RAL, or high-interest rate short-term loan secured by a taxpayer's expected tax return, which would include a requirement that RALs clearly disclose their loan terms and fee schedule to taxpayers.
- **Fund Volunteer Income Tax Assistance (VITA) Programs.** The bill would create an annual \$10 million authorization for a grant program for VITA programs which provide free tax return preparation services to low-income taxpayers.
- **Authorize Referrals and Funding to Low-Income Taxpayer Clinics (LITCs).** The bill would authorize the Internal Revenue Service (IRS) to refer taxpayers to LITCs and would increase the funding for LITCs from \$6 million to \$10 million.
- **Enhance Access to Financial Institutions.** The legislation would authorize a demonstration grant program to link tax preparation services with the establishment of a bank account. The program would provide grants to eligible entities, including 501(c)(3) organizations, labor unions and CDFIs, to provide low- or no-cost accounts to individuals who currently do not have an account with a financial institution. These accounts not only provide an opportunity for low-income families to access mainstream financial institutions but also help them receive their tax refunds faster without the fees associated with RALs.

- **Improve Taxpayer Services.** The bill would make it a Sense of Congress that the IRS speed up the remittance of a refund after the receipt of the return and provide free filing, preparation, assistance and other resources to low-income taxpayers. Also, the provision would make it a Sense of Congress that Treasury establish a pilot program for mobile tax return preparation offices in lower income communities, at least one of which would be near or on a Native American reservation.
- **Study the Delivery of Refunds using Debit Cards.** To determine how to encourage enrollment of unbanked taxpayers to traditional financial institution, this study would investigate the payment opportunities of delivering tax refunds on debit cards from a bank authorized by Treasury to those taxpayers without bank accounts.

I hope you will consider cosponsoring this important bill to help improve and enhance the tax preparation process for all taxpayers. If you would like to become a cosponsor, please contact Stacey Rolland at stacey.rolland@mail.house.gov or at (225-6235).

Sincerely,

A handwritten signature in black ink, appearing to read "Xavier Becerra". The signature is fluid and cursive, with a large initial "X" and a long, sweeping tail.

Xavier Becerra
Member of Congress