

105TH CONGRESS
1ST SESSION

S. 522

AN ACT

To amend the Internal Revenue Code of 1986 to impose civil and criminal penalties for the unauthorized access of tax returns and tax return information by Federal employees and other persons, 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 “Taxpayer Browsing
5 Protection Act”.

1 **SEC. 2. PENALTY FOR UNAUTHORIZED INSPECTION OF TAX**
2 **RETURNS OR TAX RETURN INFORMATION.**

3 (a) IN GENERAL.—Part I of subchapter A of chapter
4 75 of the Internal Revenue Code of 1986 (relating to
5 crimes, other offenses, and forfeitures) is amended by add-
6 ing after section 7213 the following new section:

7 **“SEC. 7213A. UNAUTHORIZED INSPECTION OF RETURNS OR**
8 **RETURN INFORMATION.**

9 “(a) PROHIBITIONS.—

10 “(1) FEDERAL EMPLOYEES AND OTHER PER-
11 SONS.—It shall be unlawful for—

12 “(A) any officer or employee of the United
13 States, or

14 “(B) any person described in section
15 6103(n) or an officer or employee of any such
16 person,

17 willfully to inspect, except as authorized in this title,
18 any return or return information.

19 “(2) STATE AND OTHER EMPLOYEES.—It shall
20 be unlawful for any person (not described in para-
21 graph (1)) willfully to inspect, except as authorized
22 in this title, any return or return information ac-
23 quired by such person or another person under a
24 provision of section 6103 referred to in section
25 7213(a)(2).

26 “(b) PENALTY.—

1 “(1) IN GENERAL.—Any violation of subsection
2 (a) shall be punishable upon conviction by a fine in
3 any amount not exceeding \$1,000, or imprisonment
4 of not more than 1 year, or both, together with the
5 costs of prosecution.

6 “(2) FEDERAL OFFICERS OR EMPLOYEES.—An
7 officer or employee of the United States who is con-
8 victed of any violation of subsection (a) shall, in ad-
9 dition to any other punishment, be dismissed from
10 office or discharged from employment.

11 “(c) DEFINITIONS.—For purposes of this section, the
12 terms ‘inspect’, ‘return’, and ‘return information’ have the
13 respective meanings given such terms by section
14 6103(b).”.

15 (b) TECHNICAL AMENDMENTS.—

16 (1) Paragraph (2) of section 7213(a) of such
17 Code is amended by inserting “(5),” after “(m)(2),
18 (4),”.

19 (2) The table of sections for part I of sub-
20 chapter A of chapter 75 of such Code is amended by
21 inserting after the item relating to section 7213 the
22 following new item:

 “Sec. 7213A. Unauthorized inspection of returns or return infor-
 mation.”.

1 (c) EFFECTIVE DATE.—The amendments made by
 2 this section shall apply to violations occurring on and after
 3 the date of the enactment of this Act.

4 **SEC. 3. CIVIL DAMAGES FOR UNAUTHORIZED INSPECTION**
 5 **OF RETURNS AND RETURN INFORMATION;**
 6 **NOTIFICATION OF UNLAWFUL INSPECTION**
 7 **OR DISCLOSURE.**

8 (a) CIVIL DAMAGES FOR UNAUTHORIZED INSPEC-
 9 TION.—Subsection (a) of section 7431 of the Internal Rev-
 10 enue Code of 1986 is amended—

11 (1) by striking “DISCLOSURE” in the headings
 12 for paragraphs (1) and (2) and inserting “INSPEC-
 13 TION OR DISCLOSURE”, and

14 (2) by striking “discloses” in paragraphs (1)
 15 and (2) and inserting “inspects or discloses”.

16 (b) NOTIFICATION OF UNLAWFUL INSPECTION OR
 17 DISCLOSURE.—Section 7431 of such Code is amended by
 18 redesignating subsections (e) and (f) as subsections (f)
 19 and (g), respectively, and by inserting after subsection (d)
 20 the following new subsection:

21 “(e) NOTIFICATION OF UNLAWFUL INSPECTION AND
 22 DISCLOSURE.—If any person is criminally charged by in-
 23 dictment or information with inspection or disclosure of
 24 a taxpayer’s return or return information in violation of—

25 “(1) paragraph (1) or (2) of section 7213(a),

1 “(2) section 7213A(a), or

2 “(3) subparagraph (B) of section 1030(a)(2) of
3 title 18, United States Code,

4 the Secretary shall notify such taxpayer as soon as prac-
5 ticable of such inspection or disclosure.”.

6 (c) NO DAMAGES FOR INSPECTION REQUESTED BY
7 TAXPAYER.—Subsection (b) of section 7431 of such Code
8 is amended to read as follows:

9 “(b) EXCEPTIONS.—No liability shall arise under this
10 section with respect to any inspection or disclosure—

11 “(1) which results from a good faith, but erro-
12 neous, interpretation of section 6103, or

13 “(2) which is requested by the taxpayer.”.

14 (d) CONFORMING AMENDMENTS.—

15 (1) Subsections (c)(1)(A), (c)(1)(B)(i), and (d)
16 of section 7431 of such Code are each amended by
17 inserting “inspection or” before “disclosure”.

18 (2) Clause (ii) of section 7431(c)(1)(B) of such
19 Code is amended by striking “willful disclosure or a
20 disclosure” and inserting “willful inspection or dis-
21 closure or an inspection or disclosure”.

22 (3) Subsection (f) of section 7431 of such Code,
23 as redesignated by subsection (b), is amended to
24 read as follows:

1 “(f) DEFINITIONS.—For purposes of this section, the
2 terms ‘inspect’, ‘inspection’, ‘return’, and ‘return informa-
3 tion’ have the respective meanings given such terms by
4 section 6103(b).”.

5 (4) The section heading for section 7431 of
6 such Code is amended by inserting “**INSPECTION**
7 **OR**” before “**DISCLOSURE**”.

8 (5) The table of sections for subchapter B of
9 chapter 76 of such Code is amended by inserting
10 “inspection or” before “disclosure” in the item relat-
11 ing to section 7431.

12 (6) Paragraph (2) of section 7431(g) of such
13 Code, as redesignated by subsection (b), is amended
14 by striking “any use” and inserting “any inspection
15 or use”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to inspections and disclosures oc-
18 ccurring on and after the date of the enactment of this
19 Act.

20 **SEC. 4. NATIONAL FLOOD INSURANCE ACT OF 1968.**

21 (a) IN GENERAL.—Section 1306(c)(1) of the Na-
22 tional Flood Insurance Act of 1968 (42 U.S.C.
23 4013(c)(1)) is amended by striking “30” and inserting
24 “15”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall be construed to have taken effect on
3 January 1, 1997, and shall expire June 30, 1997.

Passed the Senate April 15, 1997.

Attest:

Secretary.

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