Summary of H.R. 1677, the *Taxpayer Protection Act of 2007*

- Require the IRS (in the course of a tax fraud investigation) to notify a taxpayer that there may have been an unauthorized use of the taxpayer's (or dependent's) identity.
- Provide an individual with a longer period of time to seek return of property (money or proceeds from the sale of property) resulting from a wrongful IRS levy, as well as for bringing a civil action.
- Allow a taxpayer to recontribute individual retirement fund amounts as if the wrongful levy had never occurred.
- Allow the IRS to notify taxpayers on the Internet about unclaimed tax refunds, rather than only in the media.
- Prohibit the Secretary of Treasury (IRS) from providing debt indicators to any person if their business practices involve refund anticipation loans (plus related charges and fees) that are predatory.
- Clarify that current rules prohibiting the misleading use of Department of Treasury names and symbols apply to internet domain names (*e.g.*, IRS.com, IRS.net, IRS.org) and "phishing" and are subject to the higher-level civil and criminal penalties.
- Require, to the extent possible, that the IRS conduct additional EITC outreach including notification of potential eligibility.
- Provide tax simplification for family businesses by allowing both spouses in a family-owned business to pay social security and Medicare taxes as a sole proprietorship (rather than as a partnership).
- Provide federal prison officials with certain information to prevent tax fraud schemes.
- Allow attorney and title companies (not real estate agents) to collect Social Security Numbers on property sales involving foreigners and ten percent withholding.
- Increase the penalty for writing a bad check to the IRS from $15 to $25

ESTIMATED REVENUE EFFECTS OF A MODIFICATION TO H.R. 1677, THE "TAXPAYER PROTECTION ACT OF 2007"

Fiscal Years 2007 - 2017

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-12	2007-17
A. Family Business Tax Simplification - Allow Both Spouses in a Sole Proprietorship to Pay Social Security and Medicare Taxes [1]	tyba 12/31/06	*Negligible Revenue Effect*												
B. Taxpayer Notification of Suspected Identity Theft	dma DOE	*No Revenue Effect*												
C. Extension of Time for Return of Property for Wrongful Levy	[2]	*Negligible Revenue Effect*												
D. Individuals Held Harmless on Wrongful Levies on IRAs	lartia DOE	*Negligible Revenue Effect*												
E. Clarification of IRS Unclaimed Refund Authority	DOE	*No Revenue Effect*												
F. Prohibition on IRS Debt Indicators for Predatory Refund Anticipation Loans	dma DOE	*No Revenue Effect*												
G. Prohibition on Misuse of Department of Treasury Names and Symbols [3]	voa DOE	*No Revenue Effect*												
H. Earned Income Credit Outreach	DOE	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]	[4]
I. Modification of Rules Pertaining to FIRPTA Nonforeign Affidavits	doUSrpia DOE	[4]	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-7	-17
J. Disclosure of Prisoner Return Information to Federal Bureau of Prisons and Annual Statistical Report on Fraudulent Activity in State and Federal Prisons (sunset 12/31/10)	Dma 12/31/07 & rsa DOE	---	---	[5]	[5]	[5]	---	---	---	---	---	---	1	1
K. Increase in Penalty for Bad Checks and Money Orders	comora DOE	2	2	2	2	2	2	2	2	2	2	2	12	22
NET TOTAL		2	1	1	1	[6]	[4]	[4]	[4]	[4]	[4]	[4]	6	6

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be July 1, 2007.

Legend for "Effective" column:
- comora = checks or money orders received after
- DOE = date of enactment
- doUSrpia = dispositions of United States real property interests after
- dma = determinations made after
- Dma = disclosures made after
- lartia = levied amounts returned to individuals after
- rsa = reports submitted after
- tyba = taxable years beginning after
- voa = violations occurring after

[1] The estimate does not include any outlay effects, which will be provided by the Congressional Budget Office.
[2] Levies made after the date of enactment and levies made on or before the date of enactment provided that the nine-month period has not expired as of the date of enactment.
[3] The provision reaffirms that misleading internet domain names using the names of the Department of the Treasury or associated agencies are subject to present law penalties and clarifies that mass communications by electronic means are subject to the higher civil/criminal penalties under present law ($25,000/$50,000)
[4] Loss of less than $500,000.
[5] Gain of less than $500,000.
[6] Negligible revenue effect.