

Altmire Votes to Provide Stronger Protections for Taxpayers

(Washington, DC)—Rep. Jason Altmire (PA-4) today voted in support of the Taxpayer Protection Act of 2007 (H.R. 1677), bipartisan legislation to improve communication between the Internal Revenue Service (IRS) and American taxpayers about potential identity theft, unclaimed refunds, and eligibility for the earned income tax credit.

"As millions of Americans file their taxes today, Congress is working in a bipartisan manner to establish new protections for taxpayers," said Rep. Altmire. "The complexity of the tax code causes confusion amongst all of us. By requiring the IRS to inform taxpayers about identity theft, unclaimed refunds and eligibility for the earned income tax credit, we are taking important steps toward reforming how the IRS operates."

H.R. 1677 will require the IRS during the course of a tax fraud investigation to notify a taxpayer that the taxpayer's identity may have been stolen. This information will allow a taxpayer the opportunity to take the necessary steps to protect his or her identity and to limit the damage caused by identity theft. H.R. 1677 also clarifies the rules prohibiting the misleading use of Department of Treasury names and symbols on Internet domain names, such as IRS.com, IRS.net and IRS.org.

"As more and more taxpayers are filing their returns online, perpetrators of identity theft have created websites, such as IRS.com, IRS.net, IRS.org, to mislead taxpayers," added Rep. Altmire. The Taxpayer Protection Act increases penalties for these offenses to \$25,000 in civil penalties and \$50,000 in criminal penalties per violation. Rep. Altmire reminds all taxpayers that the only genuine IRS website is IRS.gov.

H.R. 1677 will also help defend taxpayers against high-priced refund-anticipation loans (RALs), short-term cash advances on a taxpayer's anticipated income tax return. According to the Consumer Federation of America and the National Consumer Law Center, nearly 10 million consumers use the service and pay approximately \$960 million in loan fees to get fast cash. H.R. 1677 will protect taxpayers and limit this practice by preventing the IRS from providing "debt indicators" to companies making RALs if that company uses predatory fees or other charges. Debt indicators are used by companies to determine if any portion of a taxpayer's income could be claimed to pay certain government debts.

"Refund-anticipation loans prey on the people who are least able to afford them, often with triple-digit interest," Rep. Altmire said. "This legislation sends a strong signal that Congress is concerned about the high costs and risks associated with this practice."

Additionally, H.R. 1677 will strengthen IRS outreach to make sure that people know they are entitled to tax refunds or to payments under the Earned Income Tax Credit (EITC). Approximately, 25 percent of households eligible for the EITC in 1999 did not claim it, and working Americans may have lost out on approximately \$8 billion in unclaimed earned income credits in 2004. The measure will also give taxpayers more time to recover property seized improperly by the IRS and works to stop the widespread tax fraud committed by inmates of federal prisons.