



Congress of the United States
House of Representatives
Washington, DC 20515

February 22, 2006

Stop the IRS from Doing Your Taxes
Cosponsor the Tax Return Choice Act

Dear Colleague:

Please join us as an original cosponsor of bipartisan legislation that will prevent the IRS from expanding its mission and intruding more deeply into the lives of our constituents. The Tax Return Choice Act of 2006 will ensure that the IRS cannot unilaterally implement a “Return Free Tax System”, doing irreparable damage to Voluntary Compliance. At the same time, this legislation will preserve the Free File Alliance and ensure that taxpayers will be able to get free online private sector tax preparation and e-filing services for years to come through IRS.gov.

Since 1998, the IRS has repeatedly attempted to take over the tax filing activity of the American people, making tax preparation, software and filing a new, extended function of the revenue collection agency. In recent years, IRS proposed a “return-free tax filing system”, where they would automatically prepare an individual’s tax return and send them a bill. The Free File project was created as the substitute for that misguided effort. This public-private partnership is available to over 89 million people - more than 70 percent of the nation’s taxpayers – even more than the older traditional tax assistance programs, the IRS Walk-In Centers and the VITA Volunteer program.

However, the efforts by the Treasury and IRS to expand their mission as tax collector into also becoming the nation’s tax preparer persist. In 2005, the “Return Free Tax System” was pushed by its advocates before the President’s special Advisory Panel on Tax Reform. That Panel wisely rejected the idea. A “Return Free Tax System” raises the following concerns:

- It creates a conflict of interest involving multiple roles of the IRS,
- It creates serious concerns for taxpayer rights,
- It raises serious privacy and security issues,
- It places new and unnecessary burdens on employers and especially small business,
- It undesirably expands an intrusive role of government into people’s lives, and
- It would dilute the core collection mission of IRS

Curiously, the Department of Treasury and the IRS have occasionally denied any interest in implementing the “Return-Free Tax System”. But since 1998, their repeated efforts indicate exactly the opposite.

Our bill will clarify that the IRS should *not* take on the dual, inherently conflicting roles of tax collector *and* tax preparer, and would also repeal a provision of the Internal Revenue Service Restructuring and Reform Act of 1998 that required the Secretary of the Treasury to develop procedures for implementing a "return-free" tax system and report to the Congress. After seven years of reports about how infeasible that would be, it's time to drop that provision from Congressional direction and set clear policy going forward.

If you would like to become an original cosponsor of this bipartisan bill or would like more information, please call Bill Rys in Representative Hart's office at 5-2565.

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