110TH CONGRESS  
2D SESSION  

H. R.  

To amend the Internal Revenue Code of 1986 to conform return preparer penalty standards, delay implementation of withholding taxes on government contractors, enhance taxpayer protections, assist low-income taxpayers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Rangel introduced the following bill; which was referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to conform return preparer penalty standards, delay implementation of withholding taxes on government contractors, enhance taxpayer protections, assist low-income taxpayers, 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, ETC.
4 (a) Short Title.—This Act may be cited as the
5 “Taxpayer Assistance and Simplification Act of 2008”.
(b) Amendment of 1986 Code.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

(c) Table of Contents.—The table of contents of this Act is as follows:

Sec. 1. Short title, etc.
Sec. 2. Modification of penalty on understatement of taxpayer's liability by tax return preparer.
Sec. 3. Removal of cellular telephones (or similar telecommunications equipment) from listed property.
Sec. 4. Delay of application of withholding requirement on certain governmental payments for goods and services.
Sec. 5. Elderly and disabled individuals receiving in-home care under certain government programs not subject to employment tax provisions.
Sec. 6. Referrals to low income taxpayer clinics permitted.
Sec. 7. Programs for the benefit of low-income taxpayers.
Sec. 8. EITC outreach.
Sec. 9. Prohibition on IRS debt indicators for predatory refund anticipation loans.
Sec. 10. Study on delivery of tax refunds.
Sec. 11. Extension of time for return of property for wrongful levy.
Sec. 12. Individuals held harmless on wrongful levy, etc., on individual retirement plan.
Sec. 13. Taxpayer notification of suspected identity theft.
Sec. 14. Repeal of authority to enter into private debt collection contracts.
Sec. 15. Clarification of IRS unclaimed refund authority.
Sec. 16. Prohibition on misuse of Department of the Treasury names and symbols.
Sec. 17. Substantiation of amounts paid or distributed out of health savings account.
Sec. 18. Increase in information return penalties.
Sec. 19. Increase in penalty for failure to file partnership returns.
Sec. 20. Increase in penalty for failure to file S corporation return.
Sec. 21. Time for payment of corporate estimated tax.
SEC. 2. MODIFICATION OF PENALTY ON UNDERSTATEMENT OF TAXPAYER'S LIABILITY BY TAX RETURN PREPARER.

(a) In General.—Subsection (a) of section 6694 (relating to understatement due to unreasonable positions) is amended to read as follows:

“(a) UNDERSTATEMENT DUE TO UNREASONABLE POSITIONS.—

“(1) In General.—If a tax return preparer—

“(A) prepares any return or claim of refund with respect to which any part of an understatement of liability is due to a position described in paragraph (2), and

“(B) knew (or reasonably should have known) of the position,

such tax return preparer shall pay a penalty with respect to each such return or claim in an amount equal to the greater of $1,000 or 50 percent of the income derived (or to be derived) by the tax return preparer with respect to the return or claim.

“(2) UNREASONABLE POSITION.—

“(A) In General.—Except as otherwise provided in this paragraph, a position is described in this paragraph unless there is or was substantial authority for the position.
“(B) DISCLOSED POSITIONS.—If the position was disclosed as provided in section 6662(d)(2)(B)(ii)(I) and is not a position to which subparagraph (C) applies, the position is described in this paragraph unless there is a reasonable basis for the position.

“(C) TAX SHELTERS AND REPORTABLE TRANSACTIONS.—If the position is with respect to a tax shelter (as defined in section 6662(d)(2)(C)(ii)) or a reportable transaction to which section 6662A applies, the position is described in this paragraph unless it is reasonable to believe that the position would more likely than not be sustained on its merits.

“(3) REASONABLE CAUSE EXCEPTION.—No penalty shall be imposed under this subsection if it is shown that there is reasonable cause for the understatement and the tax return preparer acted in good faith.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply—

(1) in the case of a position described in subparagraph (A) or (B) of section 6694(a)(2) of the Internal Revenue Code of 1986 (as amended by this
section), to returns prepared after May 25, 2007, and

(2) in the case of a position described in subparagraph (C) of such section (as amended by this section), to returns prepared for taxable years ending after the date of the enactment of this Act.

SEC. 3. REMOVAL OF CELLULAR TELEPHONES (OR SIMILAR TELECOMMUNICATIONS EQUIPMENT) FROM LISTED PROPERTY.

(a) In General.—Subparagraph (A) of section 280F(d)(4) (defining listed property) is amended by inserting “and” at the end of clause (iv), by striking clause (v), and by redesignating clause (vi) as clause (v).

(b) Effective Date.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2008.

SEC. 4. DELAY OF APPLICATION OF WITHHOLDING REQUIREMENT ON CERTAIN GOVERNMENTAL PAYMENTS FOR GOODS AND SERVICES.

(a) In General.—Subsection (b) of section 511 of the Tax Increase Prevention and Reconciliation Act of 2005 is amended by striking “December 31, 2010” and inserting “December 31, 2011”.

(b) Report to Congress.—Not later than 6 months after the date of the enactment of this Act, the
Secretary of the Treasury shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report with respect to the withholding requirements of section 3402(t) of the Internal Revenue Code of 1986, including a detailed analysis of—

(1) the problems, if any, which are anticipated in administering and complying with such requirements,

(2) the burdens, if any, that such requirements will place on governments and businesses (taking into account such mechanisms as may be necessary to administer such requirements), and

(3) the application of such requirements to small expenditures for services and goods by governments.

SEC. 5. ELDERLY AND DISABLED INDIVIDUALS RECEIVING IN-HOME CARE UNDER CERTAIN GOVERNMENT PROGRAMS NOT SUBJECT TO EMPLOYMENT TAX PROVISIONS.

(a) In General.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end the following new section:
"SEC. 3511. ELDERLY AND DISABLED INDIVIDUALS RECEIVING IN-HOME CARE UNDER CERTAIN GOVERNMENT PROGRAMS.

(a) In General.—In the case of amounts paid under a home care service program to a home care service provider by the fiscal administrator of such program—

(1) the home care service recipient shall not be liable for the payment of any taxes imposed under this subtitle with respect to amounts paid for the provision of services under such program, and

(2) the fiscal administrator shall be so liable.

(b) Definitions.—For purposes of this section—

(1) Home care service program.—The term 'home care service program' means a State or local government program—

(A) any portion of which is funded with Federal funds, and

(B) under which domestic services are provided to elderly or disabled individuals in their homes.

Such term shall not include any program to the extent home care service recipients make payments to the home care service providers for such in-home domestic services.

(2) Home care service provider.—The term 'home care service provider' means any indi—
individual who provides domestic services to a home care
service recipient under a home care service program.

“(3) H OME CARE SERVICE RECIPIENT.—The
term ‘home care service recipient’ means any indi-
vidual receiving domestic services under a home care
service program.

“(4) FISCAL ADMINISTRATOR.—The term ‘fiscal
administrator’ means any person or governmental
entity who pays amounts under a home care service
program to home care service providers for the pro-
vision of domestic services under such program.

“(c) R ETURNS BY FISCAL ADMINISTRATOR.—For
purposes of this section—

“(1) I N GENERAL.—Returns relating to taxes
imposed or amounts required to be withheld under
this subtitle shall be made under the identifying
number of the fiscal administrator.

“(2) IDENTIFICATION OF SERVICE RECIPI-
ENT.—The fiscal administrator shall, to the extent
required under regulations prescribed by the Sec-
retary, make a return setting forth—

“(A) the name, address, and identifying
number of each home care service recipient for
whom amounts are paid by such fiscal adminis-
tractor under the home care services program, and

“(B) such other information as the Secretary may require.

“(d) REGULATIONS.—The Secretary may prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including requiring deposits of any tax imposed under this subtitle.”.

(b) SERVICE RECIPIENT IDENTIFICATION RETURN TREATED AS INFORMATION RETURN.—Paragraph (3) of section 6724(d) is amended by striking “and” at the end of subparagraph (C)(ii), by striking the period at the end of subparagraph (D)(ii) and inserting “, and”, and by adding at the end the following new subparagraph:

“(E) any requirement under section 3511(c)(2).”.

(c) CLERICAL AMENDMENT.—The table of sections for chapter 25 is amended by adding at the end the following new item:

“Sec. 3511. Elderly and disabled individuals receiving in-home care under certain government programs.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid after December 31, 2008.
SEC. 6. REFERRALS TO LOW INCOME TAXPAYER CLINICS PERMITTED.

(a) IN GENERAL.—Subsection (c) of section 7526 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(6) TREASURY EMPLOYEES PERMITTED TO REFER TAXPAYERS TO QUALIFIED LOW-INCOME TAXPAYER CLINICS.—Notwithstanding any other provision of law, officers and employees of the Department of the Treasury may refer taxpayers for advice and assistance to qualified low-income taxpayer clinics receiving funding under this section.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to referrals made after the date of the enactment of this Act.

SEC. 7. PROGRAMS FOR THE BENEFIT OF LOW-INCOME TAXPAYERS.

(a) VOLUNTEER INCOME TAX ASSISTANCE PROGRAMS.—Chapter 77 (relating to miscellaneous provisions) is amended by inserting after section 7526 the following new section:

“SEC. 7526A. VOLUNTEER INCOME TAX ASSISTANCE PROGRAMS.

“(a) IN GENERAL.—The Secretary may, subject to the availability of appropriated funds, make grants to pro-
vide matching funds for the development, expansion, or
continuation of volunteer income tax assistance programs.

“(b) VOLUNTEER INCOME TAX ASSISTANCE PRO-
GRAM.—For purposes of this section, the term ‘volunteer
income tax assistance program’ means a program—

“(1) which does not charge taxpayers for its re-
turn preparation services,

“(2) which operates programs to assist low and
moderate-income (as determined by the Secretary)
taxpayers in preparing and filing their Federal in-
come tax returns, and

“(3) in which all of the volunteers who assist in
the preparation of Federal income tax returns meet
the requirements prescribed by the Secretary.

“(c) SPECIAL RULES AND LIMITATIONS.—

“(1) AGGREGATE LIMITATION.—Unless other-
wise provided by specific appropriation, the Sec-
retary shall not allocate more than $10,000,000 per
year (exclusive of costs of administering the pro-
gram) to grants under this section.

“(2) OTHER APPLICABLE RULES.—Rules simi-
lar to the rules under paragraphs (2) through (6) of
section 7526(c) shall apply with respect to the
awarding of grants to volunteer income tax assist-
ance programs.”.
(b) INCREASE IN AUTHORIZED GRANTS FOR LOW-INCOME TAXPAYER CLINICS.—Paragraph (1) of section 7526(c) (relating to aggregate limitation) is amended by striking “$6,000,000” and inserting “$10,000,000”.

(c) CLERICAL AMENDMENTS.—

(1) Section 7526(c)(5) is amended by striking the last sentence by inserting “qualified” before “low-income”.

(2) The table of sections for chapter 77 is amended by inserting after the item relating to section 7526 the following new item:

“Sec. 7526A. Volunteer income tax assistance program.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 8. EITC OUTREACH.

(a) IN GENERAL.—Section 32 (relating to earned income) is amended by adding at the end the following new subsection:

“(n) NOTIFICATION OF POTENTIAL ELIGIBILITY FOR CREDIT AND REFUND.—

“(1) IN GENERAL.—To the extent possible and on an annual basis, the Secretary shall provide to each taxpayer who—
“(A) for any preceding taxable year for which credit or refund is not precluded by section 6511, and

“(B) did not claim the credit under subsection (a) but may be allowed such credit for any such taxable year based on return or return information (as defined in section 6103(b)) available to the Secretary,

notice that such taxpayer may be eligible to claim such credit and a refund for such taxable year.

“(2) NOTICE.—Notice provided under paragraph (1) shall be in writing and sent to the last known address of the taxpayer.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

SEC. 9. PROHIBITION ON IRS DEBT INDICATORS FOR PREDATORY REFUND ANTICIPATION LOANS.

(a) IN GENERAL.—Subsection (f) of section 6011 (relating to promotion of electronic filing) is amended by adding at the end the following new paragraph:

“(3) PROHIBITION ON IRS DEBT INDICATORS FOR PREDATORY REFUND ANTICIPATION LOANS.—

“(A) IN GENERAL.—In carrying out any program under this subsection, the Secretary
shall not provide a debt indicator to any person
with respect to any refund anticipation loan if
the Secretary determines that the business
practices of such person involve refund anticipa-
tion loans and related charges and fees that are
predatory.

“(B) REFUND ANTICIPATION LOAN.—For
purposes of this paragraph, the term ‘refund
anticipation loan’ means a loan of money or of
any other thing of value to a taxpayer secured
by the taxpayer’s anticipated receipt of a Fed-
eral tax refund.

“(C) IRS DEBT INDICATOR.—For purposes
of this paragraph, the term ‘debt indicator’
means a notification provided through a tax re-
turn’s acknowledgment file that a refund will be
offset to repay debts for delinquent Federal or
State taxes, student loans, child support, or
other Federal agency debt.”.

(b) EFFECTIVE DATE.—The amendment made by
this section shall take effect on the date of the enactment
of this Act.

SEC. 10. STUDY ON DELIVERY OF TAX REFUNDS.

(a) IN GENERAL.—The Secretary of the Treasury, in
consultation with the National Taxpayer Advocate, shall
conduct a study on the feasibility of delivering tax refunds on debit cards, prepaid cards, and other electronic means to assist individuals that do not have access to financial accounts or institutions.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall submit a report to Congress containing the results of the study conducted under subsection (a).

SEC. 11. EXTENSION OF TIME FOR RETURN OF PROPERTY FOR WRONGFUL LEVY.

(a) EXTENSION OF TIME FOR RETURN OF PROPERTY SUBJECT TO LEVY.—Subsection (b) of section 6343 (relating to return of property) is amended by striking “9 months” and inserting “2 years”.

(b) PERIOD OF LIMITATION ON SUITS.—Subsection (c) of section 6532 (relating to suits by persons other than taxpayers) is amended—

(1) in paragraph (1) by striking “9 months” and inserting “2 years”, and

(2) in paragraph (2) by striking “9-month” and inserting “2-year”.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to—

(1) levies made after the date of the enactment of this Act, and
(2) levies made on or before such date if the 9-
month period has not expired under section 6343(b)
of the Internal Revenue Code of 1986 (without re-
gard to this section) as of such date.

SEC. 12. INDIVIDUALS HELD HARMLESS ON WRONGFUL
LEVY, ETC., ON INDIVIDUAL RETIREMENT
PLAN.

(a) IN GENERAL.—Section 6343 (relating to author-
ity to release levy and return property) is amended by add-
ing at the end the following new subsection:

“(f) INDIVIDUALS HELD HARMLESS ON WRONGFUL
LEVY, ETC. ON INDIVIDUAL RETIREMENT PLAN.—

“(1) IN GENERAL.—If the Secretary determines
that an individual retirement plan has been levied
upon in a case to which subsection (b) or (d)(2)(A)
applies, an amount equal to the sum of—

“(A) the amount of money returned by the
Secretary on account of such levy, and

“(B) interest paid under subsection (c) on
such amount of money,

may be deposited into such individual retirement
plan or any other individual retirement plan (other
than an endowment contract) to which a rollover
from the plan levied upon is permitted. An amount
may not be deposited into a Roth IRA under the
preceding sentence unless the individual retirement
plan levied upon was a Roth IRA at the time of such
levy.

“(2) Treatment as Rollover.—If amounts
are deposited into an individual retirement plan
under paragraph (1) not later than the 60th day
after the date on which the individual receives the
amounts under paragraph (1)—

“(A) such deposit shall be treated as a
rollover described in section 408(d)(3)(A)(i),

“(B) to the extent the deposit includes in-
terest paid under subsection (c), such interest
shall not be includible in gross income, and

“(C) such deposit shall not be taken into
account under section 408(d)(3)(B).

For purposes of subparagraph (B), an amount shall
be treated as interest only to the extent that the
amount deposited exceeds the amount of the levy.

“(3) Refund, etc., of Income Tax on
Levy.—If any amount is includible in gross income
for a taxable year by reason of a levy referred to in
paragraph (1) and any portion of such amount is
treated as a rollover under paragraph (2), any tax
imposed by chapter 1 on such portion shall not be
assessed, and if assessed shall be abated, and if col-
lected shall be credited or refunded as an overpayment made on the due date for filing the return of tax for such taxable year.

“(4) INTEREST.—Notwithstanding subsection (d), interest shall be allowed under subsection (c) in a case in which the Secretary makes a determination described in subsection (d)(2)(A) with respect to a levy upon an individual retirement plan.”.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid under subsections (b), (c), and (d)(2)(A) of section 6343 of the Internal Revenue Code of 1986 after the date of the enactment of this Act.

SEC. 13. TAXPAYER NOTIFICATION OF SUSPECTED IDENTITY THEFT.

(a) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

“SEC. 7529. NOTIFICATION OF SUSPECTED IDENTITY THEFT.

“If, in the course of an investigation under the internal revenue laws, the Secretary determines that there was or may have been an unauthorized use of the identity of the taxpayer or a dependent of the taxpayer, the Secretary shall, to the extent permitted by law—
“(1) as soon as practicable and without jeopardy of such investigation, notify the taxpayer of such determination, and
“(2) if any person is criminally charged by indictment or information with respect to such unauthorized use, notify such taxpayer as soon as practicable of such charge.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

“Sec. 7529. Notification of suspected identity theft.”.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to determinations made after the date of the enactment of this Act.

SEC. 14. REPEAL OF AUTHORITY TO ENTER INTO PRIVATE DEBT COLLECTION CONTRACTS.

(a) IN GENERAL.—Subchapter A of chapter 64 is amended by striking section 6306.

(b) CONFORMING AMENDMENTS.—

(1) Subchapter B of chapter 76 is amended by striking section 7433A.

(2) Section 7811 is amended by striking subsection (g).

(3) Section 1203 of the Internal Revenue Service Restructuring Act of 1998 is amended by striking subsection (e).
(4) The table of sections for subchapter A of chapter 64 is amended by striking the item relating to section 6306.

(5) The table of sections for subchapter B of chapter 76 is amended by striking the item relating to section 7433A.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall take effect on the date of the enactment of this Act.

(2) EXCEPTION FOR EXISTING CONTRACTS, ETC.—The amendments made by this section shall not apply to any contract which was entered into before July 18, 2007, and is not renewed or extended on or after March 1, 2008.

(3) UNAUTHORIZED CONTRACTS AND EXTENSIONS TREATED AS VOID.—Any qualified tax collection contract (as defined in section 6306 of the Internal Revenue Code of 1986, as in effect before its repeal) which is entered into on or after July 18, 2007, and any extension or renewal on or after March 1, 2008, of any qualified tax collection contract (as so defined) shall be void.
SEC. 15. CLARIFICATION OF IRS UNCLAIMED REFUND AUTHORITY.

Paragraph (1) of section 6103(m) (relating to tax refunds) is amended by inserting “, and through any other means of mass communication,” after “media”.

SEC. 16. PROHIBITION ON MISUSE OF DEPARTMENT OF THE TREASURY NAMES AND SYMBOLS.

(a) In General.—Subsection (a) of section 333 of title 31, United States Code, is amended by inserting “Internet domain address,” after “solicitation,” both places it appears.

(b) Penalty for Misuse by Electronic Means.—Subsections (c)(2) and (d)(1) of section 333 of such Code are each amended by inserting “or any other mass communications by electronic means,” after “telecast,”.

(c) Effective Date.—The amendments made by this section shall apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 17. SUBSTANTIATION OF AMOUNTS PAID OR DISTRIBUTED OUT OF HEALTH SAVINGS ACCOUNT.

(a) In General.—Paragraph (1) of section 223(f) (relating to amounts used for qualified medical expenses) is amended by inserting “(and substantiated in a manner similar to the substantiation required for flexible spending arrangements)” after “account beneficiary”.

(b) REPORTS.—Subsection (h) of section 223 (relating to reports) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(2) by moving the text of subparagraphs (A) and (B) (as so redesignated) and the last sentence 2 ems to the right,

(3) by striking “(h) REPORTS.—The Secretary may require—” and inserting the following:

“(h) REPORTS.—

“(1) IN GENERAL.—The Secretary may require—”, and

(4) by adding at the end the following new paragraph:

“(2) RELATING TO SUBSTANTIATION.—Not later than January 15 of each calendar year, the trustee of a health savings account shall make a report regarding such account to the Secretary and the account beneficiary setting forth—

“(A) the name, address, and identifying number of the account beneficiary, and

“(B) the amount paid or distributed out of such account for the preceding calendar year not substantiated in accordance with subsection (f)(1).”.
(c) **Effective Date.**—The amendments made by this section shall apply with respect to amounts paid or distributed out of health savings accounts after December 31, 2008.

**SEC. 18. INCREASE IN INFORMATION RETURN PENALTIES.**

(a) **Failure to File Correct Information Returns.**—

(1) **In General.**—Subsections (a)(1), (b)(1)(A), and (b)(2)(A) of section 6721 are each amended by striking “$50” and inserting “$100”.

(2) **Aggregate Annual Limitation.**—Subsections (a)(1), (d)(1)(A), and (e)(3)(A) of section 6721 are each amended by striking “$250,000” and inserting “$1,500,000”.

(b) **Reduction Where Correction Within 30 Days.**—

(1) **In General.**—Subparagraph (A) of section 6721(b)(1) is amended by striking “$15” and inserting “$25”.

(2) **Aggregate Annual Limitation.**—Subsections (b)(1)(B) and (d)(1)(B) of section 6721 are each amended by striking “$75,000” and inserting “$250,000”.

(c) **Reduction Where Correction on or Before August 1.**—
(1) IN GENERAL.—Subparagraph (A) of section 6721(b)(2) is amended by striking “$30” and inserting “$60”.

(2) AGGREGATE ANNUAL LIMITATION.—Subsections (b)(2)(B) and (d)(1)(C) of section 6721 are each amended by striking “$150,000” and inserting “$500,000”.

d) AGGREGATE ANNUAL LIMITATIONS FOR PERSONS WITH GROSS RECEIPTS OF NOT MORE THAN $5,000,000.—Paragraph (1) of section 6721(d) is amended—

(1) by striking “$100,000” in subparagraph (A) and inserting “$500,000”,

(2) by striking “$25,000” in subparagraph (B) and inserting “$75,000”, and

(3) by striking “$50,000” in subparagraph (C) and inserting “$200,000”.

e) PENALTY IN CASE OF INTENTIONAL DISREGARD.—Paragraph (2) of section 6721(e) is amended by striking “$100” and inserting “$250”.

(f) FAILURE TO FURNISH CORRECT PAYEE STATEMENTS.—

(1) IN GENERAL.—Subsection (a) of section 6722 is amended by striking “$50” and inserting “$100”.
(2) Aggregate annual limitation.—Subsections (a) and (c)(2)(A) of section 6722 are each amended by striking “$100,000” and inserting “$1,500,000”.

(3) Penalty in case of intentional disregard.—Paragraph (1) of section 6722(c) is amended by striking “$100” and inserting “$250”.

(g) Failure to comply with other information reporting requirements.—Section 6723 is amended—

(1) by striking “$50” and inserting “$100”, and

(2) by striking “$100,000” and inserting “$1,500,000”.

(h) Effective date.—The amendments made by this section shall apply with respect to information returns required to be filed after December 31, 2008.

SEC. 19. INCREASE IN PENALTY FOR FAILURE TO FILE PARTNERSHIP RETURNS.

Section 6698 is amended by adding at the end the following new subsection:

“(e) Modifications.—In the case of any return required to be filed after December 31, 2008, the dollar amount in effect under subsection (b)(1) shall be increased by $15.”.
SEC. 20. INCREASE IN PENALTY FOR FAILURE TO FILE CORPORATION RETURN.

Section 6699 is amended by adding at the end the following new subsection:

“(e) MODIFICATIONS.—In the case of any return required to be filed after December 31, 2008, the dollar amount in effect under subsection (b)(1) shall be increased by $15.”.

SEC. 21. TIME FOR PAYMENT OF CORPORATE ESTIMATED TAX.

The percentage under subparagraph (C) of section 401(1) of the Tax Increase Prevention and Reconciliation Act of 2005 in effect on the date of the enactment of this Act is increased by 0.25 percentage points.