**Congressional Budget Office**
Cost Estimate

April 1, 2025

## At a Glance

# Internal Revenue Service Legislation

**As passed by the House of Representatives on March 31, 2025**

On February 12, 2025, the House Committee on Ways and Means ordered reported five pieces of legislation. This document provides estimates for the four acts that would affect the Internal Revenue Service. Details of the estimated costs of each of those acts are discussed in the text below.

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) are the official estimates for all tax legislation considered by the Congress. CBO therefore incorporates such estimates into its cost estimates of the effects of legislation. The revenue estimates for the provisions of the four acts in this estimate were provided by JCT.

JCT estimates that enacting H.R. 998, H.R. 1152, and H.R. 1155 would affect revenues. Pay-as-you-go procedures would apply to those acts. JCT estimates that enacting H.R. 997 would not affect revenues.

CBO and JCT estimate that none of the acts would affect direct spending.

CBO estimates that the administrative costs to implement H.R. 997 would total $2 million over the 2025-2030 period. The cost to implement H.R. 1152 would be insignificant over the 2025-2030 period. CBO has not estimated the administrative costs necessary to implement H.R. 998 or H.R. 1155, but expects that those costs would be significant over the 2025-2030 period. Any related spending would be subject to the availability of appropriated funds.

CBO and JCT estimate that none of the legislation, if enacted, would increase on-budget deficits by more than $5 billion in any of the four consecutive 10-year periods beginning in 2036.

| Legislation | Net Decrease in Revenues Over the 2025-2035 Period (Millions of Dollars) | Changes in Spending Subject to Appropriation Over the 2025-2030 Period (Outlays, Millions of Dollars) | Mandate Effects? |
|---|---|---|---|
| H.R. 997 | 0 | 2 | No |
| H.R. 998 | -38 | n.e. | No |
| H.R. 1152 | * | * | No |
| H.R. 1155 | * | n.e. | No |

n.e. = not estimated; * = between -$500,000 and $500,000.

**Detailed estimate begins on the next page.**

See also
*CBO's Cost Estimates Explained*, *CBO Describes Its Cost-Estimating Process*, *Glossary*

## Summary of Legislation

On February 12, 2025, the House Committee on Ways and Means ordered reported five pieces of legislation. This document provides estimates for the four acts that would affect the Internal Revenue Service (IRS):

- H.R. 997, the National Taxpayer Advocate Enhancement Act of 2025, would authorize the National Taxpayer Advocate, who is the head of the Taxpayer Advocate Service within the IRS, to appoint counsel who would report directly to the National Taxpayer Advocate.
- H.R. 998, the Internal Revenue Service Math and Taxpayer Help Act, would require the IRS to provide information to taxpayers regarding mathematical or clerical errors on their tax returns, update procedures for requesting abatements (a process for seeking to resolve errors), and provide notice of such abatements. The act also would require the IRS to establish a pilot program to explore alternative ways to deliver notices of such errors.
- H.R. 1152, the Electronic Filing and Payment Fairness Act, would require the IRS to consider a document or payment as having been made on time if the date on which it is sent electronically is on or before the due date, regardless of the date the document is marked as received.
- H.R. 1155, the Recovery of Stolen Checks Act, would allow taxpayers to choose to receive a replacement tax refund by direct deposit rather than a paper check.

## Estimated Federal Cost

The staff of the Joint Committee on Taxation (JCT) estimates that enacting H.R. 998 would decrease revenues by $38 million over the 2025-2035 period (see Table 1). JCT estimates that enacting H.R. 1152 and H.R. 1155 would decrease revenues by an insignificant amount over the same period and that enacting H.R. 997 would not affect revenues.

**Table 1.**
**Estimated Revenue Effects of H.R. 998**

| | By Fiscal Year, Millions of Dollars | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | 2033 | 2034 | 2035 | 2025-2030 | 2025-2035 |
| | Estimated Decreases in Revenues | | | | | | | | | | | | |
| H.R. 998 | 0 | -3 | -3 | -3 | -4 | -4 | -4 | -4 | -4 | -4 | -4 | -17 | -38 |

Source: Congressional Budget Office; staff of the Joint Committee on Taxation.
Components may not sum to totals because of rounding.

CBO estimates that implementing H.R. 997 would cost $2 million over the 2025-2030 period and that implementing H.R. 1152 would increase costs by less than $500,000 over the same

period; any related spending would be subject to the availability of appropriated funds. CBO has not estimated the cost of implementing H.R. 998 or H.R. 1155.

## Basis of Estimate

The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by JCT will be the official estimates for all tax legislation considered by the Congress. CBO therefore incorporates those estimates into its cost estimates of the effects of legislation. The estimates for revenues were provided by JCT.[1]

For these estimates, CBO and JCT assumed an effective enactment date of March 1, 2025.

CBO and JCT estimate that none of the four acts would affect direct spending. Effects on revenues and spending subject to appropriation are estimated as follows:

### H.R. 997, the National Taxpayer Advocate Enhancement Act of 2025

JCT estimates that enacting H.R. 997 would not affect revenues over the 2025-2035 period.

Using information from the Taxpayer Advocate Service and in keeping with requirements for similar activities, CBO estimates that implementing the act would cost less than $500,000 annually and $2 million over the 2025-2030 period. Any related spending would be subject to the availability of appropriated funds.

### H.R. 998, the Internal Revenue Service Math and Taxpayer Help Act

JCT estimates that enacting H.R. 998 would reduce revenues by $38 million over the 2025-2035 period.

CBO has not estimated the administrative costs of implementing the act but expects that they would be significant over the 2025-2030 period. Any related spending would be subject to the availability of appropriated funds.

### H.R. 1152, the Electronic Filing and Payment Fairness Act

JCT estimates that enacting H.R. 1152 would reduce revenues by an insignificant amount over the 2025-2035 period.

Using information from JCT and the IRS, CBO estimates that implementing the act would increase administrative costs for the IRS by less than $500,000 annually. Any related spending would be subject to the availability of appropriated funds.

1. See Joint Committee on Taxation, *Description of H.R. 997, the "National Taxpayer Advocate Enhancement Act of 2025,"* JCX-2-25 (February 10, 2025), www.jct.gov/publications/2025/jcx-2-25, *Description of H.R. 998, the "Internal Revenue Service Math and Taxpayer Help Act,"* JCX-3-25 (February 10, 2025), www.jct.gov/publications/2025/jcx-3-25, *Description of H.R. 1152, the "Electronic Filing and Payment Fairness Act,"* JCX-4-25 (February 10, 2025), www.jct.gov/publications/2025/jcx-4-25, and *Description of H.R. 1155, the "Recovery Of Stolen Checks Act,"* JCX-5-25 (February 10, 2025), www.jct.gov/publications/2025/jcx-5-25.

### H.R. 1155, the Recovery of Stolen Checks Act

JCT estimates that enacting H.R. 1155 would reduce revenues by an insignificant amount over the 2025-2035 period.

CBO has not estimated the administrative costs of implementing the act but expects that they would be significant over the 2025-2030 period. Any related spending would be subject to the availability of appropriated funds.

## Pay-As-You-Go Considerations

The Statutory Pay-As-You-Go Act of 2010 establishes budget-reporting and enforcement procedures for legislation affecting direct spending or revenues. The net changes in revenues for H.R. 998 that are subject to those procedures are shown in Table 1. Pay-as-you-go procedures also apply to H.R. 1152 and H.R. 1155; the decreases in revenues under those acts would be insignificant over the 2025-2035 period.

## Increase in Long-Term Net Direct Spending and Deficits

CBO and JCT estimate that enacting H.R. 997, H.R. 1152, and H.R. 1155 would not affect net direct spending and would not increase on-budget deficits in any of the four consecutive 10-year periods beginning in 2036.

CBO and JCT estimate that enacting H.R. 998 would not increase net direct spending but would increase on-budget deficits by less than $5 billion in at least one of the four consecutive 10-year periods beginning in 2036.

## Mandates

JCT has determined that none of the acts contain intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

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