

118TH CONGRESS
2D SESSION

S. 3660

To require electronically prepared tax returns to include scannable code when submitted on paper, and to require the use of optical character recognition technology for paper documents received by the Internal Revenue Service.

IN THE SENATE OF THE UNITED STATES

JANUARY 25, 2024

Mr. CARPER (for himself and Mr. YOUNG) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To require electronically prepared tax returns to include scannable code when submitted on paper, and to require the use of optical character recognition technology for paper documents received by the Internal Revenue Service.

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.**

4 This Act may be cited as the “Barcode Automation
5 for Revenue Collection to Organize Disbursement and En-
6 hance Efficiency Act” or the “BARCODE Efficiency
7 Act”.

1 **SEC. 2. REQUIRE ELECTRONICALLY PREPARED PAPER RE-**
2 **TURNS INCLUDE SCANNABLE CODE; SCAN-**
3 **NING AND DIGITIZATION OF TAX RETURNS**
4 **AND CORRESPONDENCE.**

5 (a) RETURNS PREPARED ELECTRONICALLY AND
6 SUBMITTED ON PAPER.—With respect to any Federal tax
7 return which is prepared electronically, but is printed and
8 filed on paper—

9 (1) such return shall bear a code which, when
10 scanned, converts the data included in such return
11 to electronic format, and

12 (2) subject to subsection (b)(1)(B), the Internal
13 Revenue Service shall use barcode scanning tech-
14 nology to convert the data included in such returns
15 to electronic format.

16 (b) OPTICAL CHARACTER RECOGNITION SOFT-
17 WARE.—With respect to—

18 (1) any Federal tax return which—

19 (A) is not prepared electronically and is
20 printed and filed on paper, or

21 (B) is described in subsection (a)(1) but,
22 for any reason, the data included in such return
23 cannot be accurately converted into electronic
24 format, or

25 (2) any correspondence which is received by the
26 Internal Revenue Service in a paper form,

1 the Internal Revenue Service shall use optical character
2 recognition technology (or any functionally similar tech-
3 nology) to transcribe such return or correspondence.

4 (c) EXCEPTION.—

5 (1) IN GENERAL.—Subsection (a)(2) or (b)
6 shall not apply to the extent that the Secretary of
7 the Treasury or the Secretary’s delegate determines
8 that the technology described in such subsection is
9 slower or less reliable than the process of manually
10 transcribing returns or correspondence received in a
11 paper form.

12 (2) REPORT TO CONGRESS.—Any exception to
13 the application of subsection (a)(2) or (b) pursuant
14 to paragraph (1) shall not take effect until after the
15 date on which the Secretary provides a report to the
16 Committee on Ways and Means of the House of
17 Representatives and the Committee on Finance of
18 the Senate regarding the determination made by the
19 Secretary under such paragraph.

20 (d) EFFECTIVE DATE.—This section shall apply to—

21 (1) any individual income tax return (as defined
22 in section 6011(e)(3)(C) of the Internal Revenue
23 Code of 1986) received after December 31, 2023,
24 and

- 1 (2) any other return or correspondence received
- 2 after December 31, 2025.

○