



RPC Highlight

H.R. 5346 – *Fair and Accountable IRS Review Act*
Sponsored by Rep. Glenn Grothman (WI-06)
RPC Region 11

Bill Summary:

This legislation amends the Internal Revenue Code of 1986 to clarify that no penalty may be issued by the Internal Revenue Service (IRS) until it has been approved by the issuing individual's immediate supervisor. "Immediate supervisor" is defined as "with respect to the individual making a determination...the person to whom such individual reports."

Policy Background:

In 1998, Congress passed the Internal Revenue Service Restructuring and Reform Act which added section 6751 to the Internal Revenue Code, requiring written approval by the "immediate supervisor of the individual making such determination or such higher level official as the Secretary may designate" for many civil penalties.

In 2024, the IRS issued a rule which amended the Regulations on Procedure and Administration to allow a "higher level official other than the immediate supervisor of the individual making that initial determination" to approve the initial determination of a penalty assessment.

Information from the Lead Sponsor's Office:

Press Release, September 15, 2025.

Committee Action:

This legislation received a markup and was reported favorably by the House Ways and Means Committee on September 17, 2025, by a vote of 44-0.

Outside Group Support: This legislation is supported by the National Taxpayers Union, Small Business & Entrepreneurship Council, National Federation of Independent Business, and Taxpayer Protection Alliance.