IN THE SENATE OF THE UNITED STATES

Mr. PAUL introduced the following bill; which was read twice and referred to the Committee on __________________

A BILL

To recover economic impact payments made to holders of nonimmigrant visas, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Stopping Improper Payments to Foreigners Act”.

SEC. 2. MODIFICATION OF ELIGIBILITY RULES FOR ECONOMIC IMPACT PAYMENTS.

(a) Prohibition on Eligibility for Certain Holders of Nonimmigrant Visas.—

(1) Modification.—
(A) IN GENERAL.—Section 6428(d) of the Internal Revenue Code of 1986 is amended by striking “and” at the end of paragraph (2), by striking the period at the end of paragraph (3) and inserting “, and”, and by adding at the end the following new paragraph:

“(4) any resident alien individual holding a nonimmigrant visa during the taxable year (other than such an individual who was subsequently granted an immigrant visa before the last day of such taxable year).”.

(B) SPECIAL RULE FOR ADVANCED REFUNDS.—Section 6428(f)(2) is amended by inserting “(determined by substituting ‘the date of the enactment of this section’ for ‘the last day of such taxable year’ in subsection (d)(4))” after “taxable year.”

(C) CONFORMING AMENDMENT RELATED TO MEMBERS OF THE ARMED FORCES.—Section 6428(g)(3) is amended by inserting “and subsection (d)(4)” after “Paragraph (1)(B)”.

(2) ENFORCEMENT.—

(A) INFORMATION PROVIDED BY DEPARTMENT OF HOMELAND SECURITY.—Upon the re-
quest of the Secretary, the Secretary of Homeland Security shall identify for the Secretary—

(i) whether an individual was granted a nonimmigrant visa for any period identified in such request, and

(ii) whether any individual described in clause (i) was subsequently granted an immigrant visa, and the date any such visa was granted.

(B) LIMITATION ON USE OF INFORMATION.—Any information provided to the Secretary under subparagraph (A) shall only be used by the Secretary to determine eligibility for the credit allowed under section 6428 of the Internal Revenue Code of 1986.

(C) SECRETARY.—For purposes of this paragraph, the term “Secretary” means the Secretary of the Treasury (or the Secretary’s delegate).

(b) RECOVERY OF ECONOMIC IMPACT PAYMENTS.—

(1) REVIEW OF PREVIOUSLY PAID ADVANCED REFUND AMOUNTS.—The Secretary of the Treasury (or the Secretary’s delegate) shall—
(A) review payments of advanced refund amounts allowed under section 6428(f) of the Internal Revenue Code of 1986, and
(B) identify individuals described in section 6428(d)(4) to whom such payments were made.

(2) DENIAL OF ISSUANCE OF VISA.—

(A) In general.—Subchapter D of chapter 75 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 7346. PROHIBITION OF VISA ISSUANCE IN CASE OF FAILURE TO REPAY INELIGIBLE RECOVERY REBATE REFUNDS.

“(a) In general.—If the Secretary receives certification by the Commissioner of Internal Revenue that an individual has an unpaid ineligible recovery rebate refund, the Secretary shall transmit such certification to the Secretary of Homeland Security for action with respect to denial of a visa pursuant to section 210(a)(12)(F) of the Immigration and Nationality Act.

“(b) Unpaid Ineligible Recovery Rebate Refund.—For purposes of this section, the term ‘unpaid ineligible recovery rebate refund’ means any amount treated as payment by an individual against the tax imposed by chapter 1 by reason of section 6428(f) if—
“(1) such individual was a resident alien individual holding a nonimmigrant visa during the taxable year for which payment is treated as having been made (other than an individual subsequently granted an immigrant visa before the date of the enactment of such section or an individual described in section 6824(g)(3)), and

“(2) such individual has not repaid the amount of any credit or refund as a result of such treatment.

“(c) Reversal of Certification.—

“(1) In general.—In the case of an individual with respect to whom the Commissioner makes a certification under subsection (a), the Commissioner shall notify the Secretary (and the Secretary shall subsequently notify the Secretary of Homeland Security) if such certification is found to be erroneous or if the unpaid ineligible recovery rebate with respect to such certification has been repaid.

“(2) Timing of notice.—The notification under paragraph (1) shall be made as soon as practicable.

“(d) Contemporaneous Notice to Individual.—
The Commissioner shall contemporaneously notify an individual of any certification under subsection (a), or any re-
versal of certification under subsection (c), with respect
to such individual. Such notice shall include a description
in simple and nontechnical terms of the right to bring a
civil action under subsection (e).

“(e) JUDICIAL REVIEW OF CERTIFICATION.—

“(1) IN GENERAL.—After the Commissioner no-
tifies an individual under subsection (d), the tax-
payer may bring a civil action against the United
States in a district court of the United States, or
against the Commissioner in the Tax Court, to de-
termine whether the certification was erroneous or
whether the Commissioner has failed to reverse the
certification. For purposes of the preceding sentence,
the court first acquiring jurisdiction over such an ac-
tion shall have sole jurisdiction.

“(2) DETERMINATION.—If the court determines
that such certification was erroneous, then the court
may order the Secretary to notify the Secretary of
Homeland Security that such certification was erro-
neous.

“(f) DELEGATION OF CERTIFICATION.—A certifi-
cation under subsection (a) or reversal of certification
under subsection (e) may only be delegated by the Com-
missioner of Internal Revenue to the Deputy Commis-
sioner for Services and Enforcement, or the Commissioner of an operating division, of the Internal Revenue Service.”.

(B) Authority for information sharing.—

(i) In general.—Section 6103(k) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

“(15) Disclosure of return information to Department of Homeland Security for purposes of visa issuance prohibition under Section 7346.—

“(A) In general.—The Secretary shall, upon receiving a certification described in section 7346, disclose to the Secretary of Homeland Security return information with respect to a taxpayer who has an unpaid ineligible recovery rebate refund described in such section. Such return information shall be limited to—

“(i) the taxpayer identity information with respect to such taxpayer, and

“(ii) the amount of such unpaid ineligible recovery rebate refund.

“(B) Restriction on disclosure.—Return information disclosed under subparagraph
(A) may be used by officers and employees of the Department of Homeland Security for the purposes of, and to the extent necessary in, carrying out the requirements of section 210(a)(12)(F) of the Immigration and Nationality Act.”.

(ii) Conforming Amendment.—Paragraph (4) of section 6103(p) of such Code is amended by striking “or (11)” each place it appears in subparagraph (F)(ii) and in the matter preceding subparagraph (A) and inserting “(11), or (15)”.

(C) Grounds for Ineligibility.—Section 212(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)) is amended by adding at the end the following:

“(F) Unpaid Ineligible Recovery Rebate Refund.—Any alien who has been certified by the Commissioner of Internal Revenue (or designee) as having an unpaid ineligible recovery rebate refund (as defined in section 7346 of the Internal Revenue Code of 1986) and has failed to reimburse the United States Treasury for such debt is inadmissible.”.
(D) CLERICAL AMENDMENT.—The table of sections for subchapter D of chapter 75 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

“Sec. 7346. Prohibition of visa issuance in case of failure to repay ineligible recovery rebate refunds.”

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the provisions of, and amendments made by, this section shall take effect on the date of the enactment of this Act.

(2) ELIGIBILITY.—The amendments made by subsection (a)(1) shall take effect as if included in section 2201 of division B of the CARES Act.