



July 1, 2026

Hon. Jason Smith, Chairman
Hon. Richard Neal, Ranking Member
U.S. House Committee on Ways & Means
Washington, DC 20515

Re: Support for H.R. 9500 and H.R. 9498

Dear Chairman Smith, Ranking Member Neal, and Members of the Committee:

The National Association of Consumer Advocates (NACA) writes to you in support of H.R. 9500, the “Tax Relief for Fraud Victims Act,” and H.R. 9498, the “Taxpayer Advocate Participation Act.” NACA is a nonprofit advocacy organization actively engaged in promoting a fair and open marketplace that forcefully protects the rights of consumers, especially those of modest means. These bills would encourage fair treatment of consumer-taxpayers.

H.R. 9500, the Tax Relief for Fraud Victims Act would provide financial relief for individuals who have suffered losses from fraud, scams, and other crimes. Prior to 2018, a taxpayer who had their retirement accounts drained by a scammer could claim a personal casualty and theft loss deduction that allowed them to deduct their losses and not pay income tax on income they no longer had. However, due to limits placed on this deduction in the 2017 Tax Cut and Jobs Act and made permanent in 2025, fraud victims are now unjustly expected to pay taxes on funds that were stolen from them.

H.R. 9500 would make the personal casualty and theft loss deduction available once again to fraud victims, so the tax system no longer punishes them for an incident they did not cause. Restoring the deduction is especially important now as scams and fraud are on the rise. According to Federal Trade Commission data, Americans lost nearly \$16 billion to fraud in 2025, the highest amount on record.¹ Additionally, technology makes it easier than ever for cybercriminals to trick vulnerable people and gain access to their accounts.²

¹ Federal Trade Commission, *FTC Data Show People Reported Losing \$3.5 Billion to Imposter Scams in 2025*, Jun. 15, 2026, <https://www.ftc.gov/news-events/news/press-releases/2026/06/ftc-data-show-people-reported-losing-3-point-5-billion-imposter-scams-2025>.

² Rhiannon Williams, MIT Technology Review, *Supercharged scams*, Apr. 21, 2026, <https://www.technologyreview.com/2026/04/21/1135647/supercharged-scams-ai-artificial-intelligence/>.

H.R. 9498, the Taxpayer Advocate Participation Act would allow the National Taxpayer Advocate (NTA) to appear as an amicus curiae in any case related to federal tax law and express views related to issues that would broadly affect taxpayers' rights. The NTA's role is to ensure all taxpayers are treated fairly. Currently, when cases arise that could affect many or all taxpayers, the interests and rights of taxpayers, generally may lack sufficient representation. As this bill would allow, the NTA should be able to step into that role and act as the voice of taxpayers so that courts can consider the impact of cases on taxpayers.

Thank you for your consideration.

Sincerely,

Christine Hines
Senior Policy Director

Sophia Huang
Advocacy and Outreach Associate