

PROTECTING ACCESS TO THE COURTS FOR TAXPAYERS
ACT

MARCH 14, 2018.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. GOODLATTE, from the Committee on the Judiciary,
submitted the following

R E P O R T

[To accompany H.R. 3996]

[Including cost estimate of the Congressional Budget Office]

The Committee on the Judiciary, to whom was referred the bill (H.R. 3996) to amend title 28, United States Code, to permit other courts to transfer certain cases to United States Tax Court, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

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Purpose and Summary

H.R. 3996 would expand the existing statutory authority for Article III judges to transfer misfiled cases that belong in Article III courts to cover misfiled tax cases that belong in the United States Tax Court to that Court.

Background and Need for the Legislation

Current law grants Article III judges the authority to cure jurisdictional errors for misfiled cases by transferring cases to another Article III court, both as a matter of judicial efficiency as well as to reduce the potential procedural harms to a plaintiff who may otherwise miss a filing deadline if the case cannot be transferred. However, 28 U.S.C. § 1631 does not contain the necessary authority to transfer federal tax cases to the United States Tax Court where venue is proper.

Every year, a limited number of typically *pro se* filers file their tax cases in their nearest federal district court, rather than the Tax Court. By the time the district court recognizes the plaintiff's filing error and dismisses the misfiled case, the taxpayer has usually missed the deadline to timely refile in Tax Court, thereby depriving the taxpayer of having their day in court. The Tax Court has identified this issue with the Judicial Conference which is in support of this change. By enacting the missing statutory authority for the transfer of Tax Court cases, judicial efficiency will be restored, taxpayers who misfile will not have to pay two filing fees, and taxpayers will have their day in court even if they initially file their case in the wrong venue. The Committee has heard of no objections to resolving this issue for what may impact only a few dozen taxpayers a year.

Hearings

The Committee on the Judiciary held no hearings on H.R. 3996.

Committee Consideration

On October 12, 2017, the Committee met in open session and ordered the bill, H.R. 3996, favorably reported without amendment, by voice vote, a quorum being present.

Committee Votes

In compliance with clause 3(b) of rule XIII of the Rules of the House of Representatives, the Committee advises that there were no recorded votes during the Committee's consideration of H.R. 3996.

Committee Oversight Findings

In compliance with clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee advises that the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

New Budget Authority and Tax Expenditures

Clause 3(c)(2) of rule XIII of the Rules of the House of Representatives is inapplicable because this legislation does not provide new budgetary authority or increased tax expenditures.

Congressional Budget Office Cost Estimate

In compliance with clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the Committee sets forth, with respect to the bill, H.R. 3996 the following estimate and comparison prepared by the Director of the Congressional Budget Office under section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, November 1, 2017.

Hon. BOB GOODLATTE,
*Chairman, Committee on the Judiciary,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3996, the Protecting Access to the Courts for Taxpayers Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Janani Shankaran.

Sincerely,

KEITH HALL.

Enclosure.

cc: Honorable John Conyers Jr.
Ranking Member

H.R. 3996—Protecting Access to the Courts for Taxpayers Act

As ordered reported by the House Committee on the Judiciary on
October 12, 2017

H.R. 3996 would authorize district court judges to transfer to the U.S. Tax Court (USTC) cases for which the USTC has jurisdiction. Under current law, certain federal tax payment cases that are incorrectly filed with a district court must be dismissed and refiled with the USTC.

According to the USTC, a small number of cases are incorrectly filed each year. CBO estimates that any administrative costs associated with transferring cases between the district courts and the USTC would be insignificant and would be subject to the availability of appropriated funds.

Enacting H.R. 3996 would affect direct spending and revenues; therefore, pay-as-you-go procedures apply. The USTC collects a fee for each case filed within its jurisdiction; those fees are recorded as revenues in the budget. Under current law, the fees are deposited into a special Treasury account for USTC activities and are spent without further appropriation. CBO estimates that enacting the bill would decrease USTC collections of filing fees, and the associated direct spending, by an insignificant amount because cases transferred from district courts would not require additional filing fees. In addition, CBO expects that implementing the bill could affect the timing of federal tax payments and refunds associated with the transferred cases. However, CBO estimates that the net effects would be insignificant for each year.

CBO estimates that enacting H.R. 3996 would not significantly affect net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3996 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act.

The CBO staff contact for this estimate is Janani Shankaran. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

Duplication of Federal Programs

No provision of H.R. 3996 establishes or reauthorizes a program of the Federal government known to be duplicative of another Federal program, a program that was included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139, or a program related to a program identified in the most recent Catalog of Federal Domestic Assistance.

Disclosure of Directed Rule Makings

The Committee finds that H.R. 3996 contains no directed rule making within the meaning of 5 U.S.C. § 551.

Performance Goals and Objectives

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee states that H.R. 3996, extends the existing judicial authority to transfer certain misfiled cases to include misfiled Tax Court cases.

Advisory on Earmarks

In accordance with clause 9 of rule XXI of the Rules of the House of Representatives, H.R. 3996 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of Rule XXI.

Section-by-Section Analysis

The following discussion describes the bill as reported by the Committee.

Section 1. Short Title. Section 1 sets forth the short title of the bill as the “Protecting Access to the Courts for Taxpayers Act.”

Sec. 2. Section 2 amends 28 U.S.C. § 1631, by adding a new clause to the existing provision to enable Article III courts to transfer cases within the jurisdiction of the United States Tax Court to that court. The existing statutory provision concerning maintaining the original filing date applies to this newly added transfer authority.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

TITLE 28, UNITED STATES CODE

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PART IV—JURISDICTION AND VENUE

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CHAPTER 99—GENERAL PROVISIONS

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§ 1631. Transfer to cure want of jurisdiction

Whenever a civil action is filed in a court as defined in section 610 of this title or an appeal, including a petition for review of administrative action, is noticed for or filed with such a court and that court finds that there is a want of jurisdiction, the court shall, if it is in the interest of justice, transfer such action or appeal to any other such court (*or, for cases within the jurisdiction of the United States Tax Court, to that court*) in which the action or appeal could have been brought at the time it was filed or noticed, and the action or appeal shall proceed as if it had been filed in or noticed for the court to which it is transferred on the date upon which it was actually filed in or noticed for the court from which it is transferred.

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