

119TH CONGRESS
1ST SESSION

H. R. 6506

To amend the Internal Revenue Code of 1986 to suspend the period of limitations on filing a claim for credit or refund during collection action proceedings, to prohibit the crediting of overpayments against disputed tax liability during such proceedings, and to expand the jurisdiction of the Tax Court.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 9, 2025

Mr. MORAN (for himself and Ms. SEWELL) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to suspend the period of limitations on filing a claim for credit or refund during collection action proceedings, to prohibit the crediting of overpayments against disputed tax liability during such proceedings, and to expand the jurisdiction of the Tax Court.

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 “Taxpayer Due Process
5 Enhancement Act”.

1 **SEC. 2. SUSPENSION OF PERIOD OF LIMITATIONS ON FIL-**
2 **ING A CLAIM FOR CREDIT OR REFUND DUR-**
3 **ING COLLECTION ACTION PROCEEDINGS.**

4 (a) IN GENERAL.—Section 6330(e)(1) of the Internal
5 Revenue Code of 1986 is amended by inserting “sub-
6 section (a), (b), or (c) of section 6511 (relating to limita-
7 tions on credit or refund),” after “section 6502 (relating
8 to collection after assessment),”.

9 (b) PERIOD OF LIMITATIONS ON FILING A CLAIM
10 FOR CREDIT OR REFUND.—Section 6330(e) of such Code
11 is amended by adding at the end the following new para-
12 graph:

13 “(3) PERIOD OF LIMITATIONS ON FILING A
14 CLAIM FOR CREDIT OR REFUND.—In the case of the
15 running of any period of limitations under sub-
16 section (a), (b), or (c) of section 6511 with respect
17 to the filing of any claim for credit or refund, para-
18 graph (1)—

19 “(A) shall apply only to the extent that
20 such credit or refund relates to an underlying
21 tax liability properly disputed at the hearing re-
22 quested under this section, and

23 “(B) shall not result in a suspension of the
24 running of such period of limitations after any
25 date on which a lapse of a deadline, a court fil-
26 ing, or a court order establishes that the tax-

1 payer has forfeited or otherwise lost the right to
2 pursue such dispute.”.

3 (c) CROSS REFERENCE.—Section 6511(i) of such
4 Code is amended by adding at the end the following new
5 paragraph:

6 “(8) For limitations in case of collection action
7 proceedings, see section 6330(e).”.

8 (d) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to the running of any period of
10 limitations if such period (determined without regard to
11 the amendments made by this section) ends on or after
12 the date of the enactment of this Act.

13 **SEC. 3. PROHIBITION ON CREDITING OF OVERPAYMENTS**
14 **AGAINST DISPUTED TAX LIABILITY DURING**
15 **COLLECTION ACTION PROCEEDINGS.**

16 (a) IN GENERAL.—Section 6402 of the Internal Rev-
17 enue Code of 1986 is amended by adding at the end the
18 following new subsection:

19 “(o) PROHIBITION ON CREDITING OF OVERPAY-
20 MENTS AGAINST DISPUTED TAX LIABILITY DURING COL-
21 LECTION ACTION PROCEEDINGS.—If a hearing is properly
22 requested under section 6320(a)(3)(B) or 6330(a)(3)(B),
23 and an underlying tax liability referred to in section
24 6330(c)(2)(B) is properly disputed at such hearing, such
25 tax liability shall not, except with the consent of the tax-

1 payer, be taken into account under subsection (a) for the
 2 period during which the period of limitations for filing a
 3 claim for credit or refund relating to such tax liability is
 4 suspended by reason of section 6330(e).”.

5 (b) CLARIFICATION OF APPLICATION OF CERTAIN
 6 LEVY HEARING RULES TO LIEN HEARINGS.—Section
 7 6330(c)(2)(A) of such Code is amended by striking “un-
 8 paid tax or the proposed levy” and inserting “unpaid tax,
 9 collection action, or proposed collection action”.

10 (c) EFFECTIVE DATES.—

11 (1) IN GENERAL.—The amendment made by
 12 subsection (a) shall apply with respect to any period
 13 described in section 6402(o) of the Internal Revenue
 14 Code of 1986 (as added by this section) if any por-
 15 tion of such period is after the date of the enact-
 16 ment of this Act.

17 (2) CLARIFICATION OF APPLICATION OF CER-
 18 TAIN LEVY HEARING RULES TO LIEN HEARINGS.—
 19 The amendment made by subsection (b) shall take
 20 effect on the date of the enactment of this Act.

21 **SEC. 4. EXPANSION OF JURISDICTION OF TAX COURT.**

22 (a) IN GENERAL.—Section 6330(d)(1) of the Inter-
 23 nal Revenue Code of 1986 is amended to read as follows:

24 “(1) PETITION FOR REVIEW BY TAX COURT.—

1 “(A) IN GENERAL.—In the case of a deter-
2 mination under this section, the person may,
3 within 30 days of such determination, petition
4 the Tax Court for review of—

5 “(i) such determination, and

6 “(ii) any underlying tax liability re-
7 ferred to in subsection (c)(2)(B) which is
8 properly disputed at the hearing in which
9 such determination is made.

10 “(B) JURISDICTION OF TAX COURT.—
11 Upon the filing of a petition, the Tax Court
12 shall have jurisdiction with respect to—

13 “(i) the determination referred to in
14 subparagraph (A)(i),

15 “(ii) any underlying tax liability re-
16 ferred to in subparagraph (A)(ii), and

17 “(iii) any equitable tolling of the 30-
18 day deadline referred to in subparagraph
19 (A).

20 “(C) RETENTION OF JURISDICTION.—
21 Upon a determination being made under this
22 section, subparagraphs (A) and (B) shall apply
23 whether or not the Secretary abandons the col-
24 lection action or proposed collection action at
25 issue in such determination.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this subsection shall apply with respect to petitions filed
3 after the date of the enactment of this Act.

