

TAX COURT IMPROVEMENT ACT

OCTOBER 3, 2025.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. SMITH of Missouri, from the Committee on Ways and Means, submitted the following

R E P O R T

[To accompany H.R. 5349]

The Committee on Ways and Means, to whom was referred the bill (H.R. 5349) to amend the Internal Revenue Code of 1986 to improve services provided to taxpayers by the Internal Revenue Service by providing greater judicial review, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; ETC.

- (a) **SHORT TITLE.**—This Act may be cited as the “Tax Court Improvement Act”.
- (b) **AMENDMENT OF 1986 CODE.**—Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.
- (c) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

- Sec. 1. Short title; etc.
- Sec. 2. Authorization of subpoenas before hearings to facilitate settlements.
- Sec. 3. Authorization of special trial judges to hear additional cases and address contempt.
- Sec. 4. Disqualification of judges and special trial judges.
- Sec. 5. Clarification of Tax Court jurisdiction to apply equitable tolling in deficiency cases.

SEC. 2. AUTHORIZATION OF SUBPOENAS BEFORE HEARINGS TO FACILITATE SETTLEMENTS.

Section 7456(a) is amended to read as follows:

“(a) **IN GENERAL.**—

“(1) **ADMINISTRATION OF OATHS.**—For the efficient administration of the functions vested in the Tax Court or any division thereof, any judge or special trial judge, the clerk or the clerk’s deputies, as such, or any other employee of the Tax Court designated in writing for the purpose by the chief judge, may administer oaths or affirmations.

“(2) **SUBPOENA AUTHORITY.**—Any judge or special trial judge may examine witnesses and require, by subpoena ordered by the Tax Court or any division thereof and signed by the judge or special trial judge (or by the clerk of the Tax Court or by any other employee of the Tax Court when acting as deputy clerk), any of the following:

“(A) The attendance of parties or witnesses.

“(B) The production of books, papers, documents, electronically stored information, or tangible things from any place in the United States by any party or witness having custody or control thereof for purposes of discovery or for use of the things produced as evidence in accordance with the rules and orders of the Tax Court.

Any such subpoena shall be issued and served, and compliance therewith shall be compelled, as provided in the rules and orders of the Tax Court.

“(3) **DEPOSITIONS.**—Pursuant to rules and orders of the Court, the deposition of a witness may be taken before any designated individual competent to administer oaths under this title. Any deposition testimony shall be reduced to writing by the individual taking the deposition, or under such individual’s direction, and shall be subscribed by the deponent.”.

SEC. 3. AUTHORIZATION OF SPECIAL TRIAL JUDGES TO HEAR ADDITIONAL CASES AND ADDRESS CONTEMPT.

(a) **CONSENT TO ASSIGNMENT.**—Section 7443A(b) is amended by striking “and” at the end of paragraph (6), by redesignating paragraph (7) as paragraph (8), and by inserting after paragraph (6) the following new paragraph:

“(7) upon the consent of the parties, and pursuant to rules promulgated by the Tax Court, any proceeding not described in paragraphs (1) through (6), and”, and

(b) **AUTHORIZING SPECIAL TRIAL JUDGE.**—Section 7443A(c) is amended by striking “or (6)” and inserting “(6), or (7)”.

(c) **CONTEMPT AUTHORITY.**—Section 7443A is amended by adding at the end the following new subsection:

“(f) **INCIDENTAL POWERS.**—A special trial judge appointed under this section shall have the power to punish for contempt of the authority of the Tax Court as provided in section 7456(c), except the sentence imposed by such a special trial judge for any contempt shall not exceed the penalties for a Class C misdemeanor as set forth in sections 3571(b)(6) and 3581(b)(8) of title 18, United States Code. This subsection shall not be construed to limit the authority of a special trial judge to order sanctions under any other statute or any rule of the Tax Court prescribed pursuant to section 7453.”.

(d) **EFFECTIVE DATE.**—The amendments made by subsections (a) and (b) shall take effect on the date the United States Tax Court adopts rules implementing the consent procedures of section 7443A.

SEC. 4. DISQUALIFICATION OF JUDGES AND SPECIAL TRIAL JUDGES.

(a) **IN GENERAL.**—Part II of subchapter C of chapter 76 is amended by adding at the end the following new section:

“SEC. 7467. DISQUALIFICATION OF JUDGE OR SPECIAL TRIAL JUDGE.

“Section 455 of title 28, United States Code, shall apply to judges, special trial judges, and proceedings of the Tax Court.”.

(b) **CLERICAL AMENDMENT.**—The table of sections for such part is amended by adding at the end the following new item:

“Sec. 7467. Disqualification of judge or special trial judge.”.

SEC. 5. CLARIFICATION OF TAX COURT JURISDICTION TO APPLY EQUITABLE TOLLING IN DEFICIENCY CASES.

(a) **IN GENERAL.**—Section 7451(b) is amended to read as follows:

“(b) **TOLLING OF TIME.**—

“(1) **IN GENERAL.**—The Tax Court shall have jurisdiction to toll the period for filing a petition under section 6213(a) in cases in which the Tax Court determines based on the facts and circumstances that equity warrants such tolling.

“(2) **RULES FOR INACCESSIBLE FILING LOCATIONS.**—

“(A) **IN GENERAL.**—Notwithstanding any other provision of this title, in any case (including by reason of a lapse in appropriations) in which a filing location is inaccessible or otherwise unavailable to the general public on the date a petition is due, the relevant time period for filing such petition shall be tolled for the number of days within the period of inaccessibility plus an additional 14 days.

“(B) **FILING LOCATION.**—For purposes of this paragraph, the term ‘filing location’ means—

“(i) the office of the clerk of the Tax Court, or

“(ii) any on-line portal made available by the Tax Court for electronic filing of petitions.”.

(b) **CONFORMING AMENDMENT.**—Section 7459(d) is amended—

(1) by striking “If a petition” and inserting the following:

“(1) **IN GENERAL.**—If a petition”, and

(2) by adding at the end the following new paragraph:

“(2) **EXCEPTION.**—Paragraph (1) shall not apply with respect to any dismissal which is solely based on a determination of the Tax Court not to toll the period for filing a petition under section 6213(a).”.

(c) **EFFECTIVE DATE.**—The amendments made by this section shall apply to filings made after the date of the enactment of this Act.

(d) **NO INFERENCE.**—The amendment made by subsections (a) shall not be construed to create any inference with respect to the jurisdiction of the Tax Court with respect to any petition filed on or before the date of the enactment of this Act.

I. SUMMARY AND BACKGROUND

A. PURPOSE AND SUMMARY

The bill, H.R. 5349, the “Tax Court Improvement Act,” as amended, was ordered reported by the Committee on Ways and Means on September 17, 2025.

The bill makes several changes to the authority, powers, and limitations of the United States Tax Court (“Tax Court”). Specifically, the bill expands the authority of the Tax Court to issue pre-trial subpoenas to third parties; authorizes the Tax Court’s special trial judges to hear and decide an expanded range of cases; empowers the special trial judges to impose punishment for contempt of the court in certain circumstances; subjects the Tax Court’s judges and special trial judges to the mandatory recusal rules applicable to U.S. district and appellate judges; and clarifies that the Tax Court may apply equitable tolling to excuse a petitioner’s failure to meet the statutory deadline for filing a petition to contest a notice of deficiency.

B. BACKGROUND AND NEED FOR LEGISLATION

The U.S. Tax Court is a federal trial court established by Congress under Article I of the Constitution which specializes in adjudicating disputes over federal income tax, generally prior to formal tax assessments made by the IRS. The Tax Court is the only forum in which taxpayers may litigate tax matters without having first paid the disputed tax in full. Currently, there are inefficiencies in the Tax Court structure that lead to the following problems: Limited pre-trial discovery powers causing unnecessary delays in resolutions of cases by limiting the parties' ability to timely obtain relevant documents; Tax Court Judges being held to different qualification standards than other Federal judges.

In some cases, a special trial judge may not render the Tax Court's decision or be allowed to order punishment for contempt of court, further delaying resolutions of cases. Finally, the Court may pause the deadline for filing a petition in certain cases—for example, when a taxpayer misses a filing deadline because the individual has had a heart attack. However, it's not clear whether the Tax Court has the authority to pause deadlines in other cases on equitable grounds—such as the parties agreeing that a case need not operate under legal deadlines.

This bill authorizes the Tax Court to sign subpoenas to produce books, papers, documents, electronically stored information, or tangible things for purposes of discovery or evidence, prior to a hearing. The proposals will also enhance the efficiency of judicial review in the Tax Court and ensure security and civility in trials and other proceedings conducted by courts. This will increase the productivity and efficiency in the court for taxpayers. This Act holds Tax Court judges to the same standards for disqualification as other Federal judges. Finally, this provision clarifies that the Tax Court has jurisdiction to extend a taxpayer's deadline where timely filing was impossible or impractical.

C. LEGISLATIVE HISTORY

Background

H.R. 5349 was introduced on September 15, 2025, and was referred to the Committee on Ways and Means.

Committee Hearings

The Committee on Ways and Means held the following hearing(s) concerning the policy in H.R. 5349:

On February 11, 2025, the Committee on Ways and Means Oversight Subcommittee held a hearing titled, "IRS Return on Investment and the Need for Modernization" to examine the lack of return on investment from funding provided to the IRS by the Inflation Reduction Act and the need for information technology modernization at the agency.

Committee Action

The Committee on Ways and Means marked up H.R. 5349, the Tax Court Improvement Act, on September 17, 2025, and favorably reported the bill, as amended, to the House of Representatives (with quorum being present).

D. DESIGNATED HEARING

Pursuant to clause 3(c)(6) of rule XIII, the following hearing was used to develop and consider H.R. 5349:

On February 11, 2025, the Committee on Ways and Means Oversight Subcommittee held a hearing titled, “IRS Return on Investment and the Need for Modernization to examine the lack of return on investment from funding provided to the IRS by the Inflation Reduction Act and the need for information technology modernization at the agency.

II. EXPLANATION OF THE BILL

A. AUTHORIZATION OF SUBPOENAS BEFORE HEARINGS TO FACILITATE SETTLEMENTS

PRESENT LAW

The Tax Court has authority to issue subpoenas to, among other things, compel “the attendance and testimony of witnesses, and the production of all necessary returns, books, papers, documents, correspondence, and other evidence, from any place in the United States at any designated place of hearing.”¹ The Tax Court has interpreted this provision to mean that it may sign a subpoena requiring a third party to produce materials only at a scheduled hearing or deposition, but not otherwise in the course of pretrial discovery.²

REASONS FOR CHANGE

The Committee is concerned that because the Tax Court’s pretrial discovery powers are more limited than those of other Federal courts, Tax Court litigants sometimes must request and attend pretrial conferences solely to obtain books, records, and other key documents. This added hurdle may result in trials of cases that could otherwise have settled, increasing costs and time burdens for both litigants and the Court. The Committee believes that specifically authorizing the Tax Court to issue subpoenas to third parties whether or not in connection with a scheduled hearing will enhance the efficiency and fairness of Tax Court case dispositions.

EXPLANATION OF PROVISION

The provision authorizes the Tax Court to sign subpoenas requiring any litigating party or any third party to produce books, papers, documents, electronically stored information, or tangible things from any place in the United States for purposes of discovery or evidence, whether or not in connection with a scheduled hearing.

¹Sec. 7456(a)(1).

²See Tax Court Rules of Practice and Procedure Rule 147(a)(1)(B) (“Any command to produce documents, electronically stored information, or tangible things must be included in a subpoena commanding attendance at a deposition, hearing, or trial.”); Order, *Johnson v. Commissioner*, No. 17324–18 (T.C. Dec. 26, 2019). The Tax Court may be unable to unilaterally liberalize its third-party subpoena authority by amending Rule 147, due to the plain meaning of the term “hearing.” See “Hearing,” *Black’s Law Dictionary* (11th ed. 2019) (“A judicial session, usu. open to the public, held for the purpose of deciding issues of fact or of law, sometimes with witnesses testifying. . . .”).

EFFECTIVE DATE

The provision is effective on the date of enactment.

B. AUTHORIZATION OF SPECIAL TRIAL JUDGES TO HEAR ADDITIONAL CASES AND ADDRESS CONTEMPT

PRESENT LAW

Special trial judge case assignments

The chief judge of the Tax Court is authorized to appoint special trial judges.³ The chief judge may assign special trial judges to hear the following types of proceedings:⁴ (1) declaratory judgment proceedings, (2) certain cases where the amount in dispute does not exceed \$50,000 for any taxable year, period, or event, and the taxpayer elects special procedures and lack of appeal rights,⁵ (3) deficiency cases in which neither the deficiency for any taxable year, period, or event nor the amount of any claimed overpayment exceeds \$50,000, (4) collection due process cases to review a lien or levy action,⁶ (5) proceedings to determine whether an individual is an employee for purposes of an employer's employment tax liabilities, if the amount of tax in dispute does not exceed \$50,000 for each tax period at issue and the taxpayer agrees to special procedures,⁷ (6) appeals of an Internal Revenue Service (IRS) whistleblower award determination,⁸ and (7) any other proceeding designated by the chief judge. However, with respect to proceedings designated by the chief judge but not specifically enumerated, a special trial judge may not independently render the Tax Court's decision.⁹ Rather, one of the Court's presidentially appointed judges may adopt the special trial judge's recommendation.

Punishment for contempt of the court

The Tax Court is authorized to punish with a fine or imprisonment the following types of contempt of the court: obstruction of justice, misbehavior of the Tax Court's officers in their official transactions, and disobedience of or resistance to its orders.¹⁰ Special trial judges are not specifically authorized to order punishment for contempt of the court.

REASONS FOR CHANGE

The Committee believes that authorizing the Tax Court's special trial judges to share more of the Court's workload will increase the Court's productivity and efficiency. The Committee also believes that empowering the special trial judges to exercise contempt authority in limited circumstances will create better incentives for Tax Court litigants to comply with orders and otherwise respect the judicial process.

³ Sec. 7443A(a).

⁴ Sec. 7443A(b).

⁵ See sec. 7463.

⁶ See secs. 6320, 6330.

⁷ See sec. 7436(c).

⁸ See sec. 7623(b).

⁹ Sec. 7443A(c).

¹⁰ Sec. 7456(c).

EXPLANATION OF PROVISION

The provision authorizes the Tax Court's special trial judges to hear any proceeding within the Tax Court's jurisdiction if the parties so consent and if such hearing is authorized by rules to be promulgated by the Tax Court for the purpose of implementing the provision. The provision provides that a special trial judge may independently render the Tax Court's decision in any such proceeding.

The provision authorizes the special trial judges to order punishment for contempt of the court of the sort presently punishable by the Tax Court. However, the punishment ordered by a special trial judge may not exceed the maximum fine or prison term for a Class C misdemeanor. Currently such maximum penalties are \$5,000 for a fine¹¹ and 30 days for imprisonment.¹² The provision is not to be construed to limit a special trial judge's authority to order sanctions under any other statute or statutorily authorized Tax Court rule.¹³

EFFECTIVE DATE

The provision is generally effective on the date of enactment. The authorization of special trial judges to hear proceedings and render the Tax Court's decision in cases where the parties consent and the Tax Court's rules so provide is effective upon the Tax Court's adoption of such rules.

C. DISQUALIFICATION OF JUDGES AND SPECIAL TRIAL JUDGES

PRESENT LAW

The Tax Court is directed to prescribe rules establishing procedures for filing, investigating, and resolving complaints regarding the conduct of any judge or special trial judge.¹⁴ The Tax Court has issued Rules for Judicial Conduct and Disability Proceedings.¹⁵ However, no statute or Tax Court rule specifically requires Tax Court judges or special trial judges to recuse themselves in any particular situations.¹⁶ At least one court has indicated that parties litigating in the Tax Court may force recusal of a judge only in cases where the due process clause of the Constitution so requires.¹⁷

REASONS FOR CHANGE

The Committee believes that Tax Court judges and special trial judges should be subject to the same standards of disqualification that apply to other federal judges in cases of conflicts of interest. The Committee believes that expanding these standards to encompass the Tax Court will enhance the Court's real and perceived integrity, impartiality, and trustworthiness.

¹¹ 18 U.S.C. sec. 3571(b)(6).

¹² 18 U.S.C. sec. 3581(b)(8).

¹³ See, e.g., Tax Court Rules of Practice and Procedure Rule 104(c) (providing that in certain cases where a party disobeys Court discovery orders, the Court may order certain sanctions, including payment of the other party's reasonable expenses caused by the disobedience).

¹⁴ Sec. 7466.

¹⁵ The rules are available at <https://www.ustaxcourt.gov/jcdp/> (last visited September 12, 2025).

¹⁶ See *Nobles v. Commissioner*, 105 F.3d 436, 438 (9th Cir. 1997).

¹⁷ *Ibid.*

EXPLANATION OF PROVISION

The provision applies to the Tax Court’s judges and special trial judges the mandatory recusal rules applicable to U.S. district and appellate judges.¹⁸ Those rules require judges to recuse themselves in any proceeding in which their impartiality might reasonably be questioned.¹⁹ Those rules also require judges to recuse themselves in the following circumstances, among others (and the litigating parties may not agree to waive recusal in such circumstances):²⁰ (1) where they have a personal bias or prejudice concerning a party, or personal knowledge of disputed evidentiary facts concerning the proceeding; (2) where they or a colleague previously worked on the matter in private practice; (3) where they worked on the matter as a government employee; (4) where they know that they, or their spouse or minor child residing in their household, have a financial interest in the controversy; and (5) where they, their spouse, or a person within the third degree of relationship to either of them (or such person’s spouse) is a party to, lawyer in, or likely material witness in the proceeding. The recusal rules also require judges to inform themselves about their personal and fiduciary financial interests and to make a reasonable effort to inform themselves about the personal financial interests of their spouse and minor children residing in their household.²¹

EFFECTIVE DATE

The provision is effective on the date of enactment.

D. CLARIFICATION OF TAX COURT JURISDICTION TO APPLY
EQUITABLE TOLLING IN DEFICIENCY CASES

PRESENT LAW

The 90- or 150-day deadline for deficiency petitions

Once the IRS determines a deficiency in a taxpayer’s liability for income tax, gift tax, estate tax, or certain excise taxes and mails a notice of deficiency to the taxpayer’s last known address, generally the taxpayer has 90 days (150 days if the notice is addressed to a person outside the United States) to file a petition with the Tax Court to contest the deficiency determination.²² If the taxpayer fails to file a petition in that period, the IRS may begin collection action for the unpaid liability, and generally the taxpayer’s only remaining option for judicial review of the liability amount is to pay the asserted liability, file a claim for credit or refund with the IRS,

¹⁸ See 28 U.S.C. sec. 455.

¹⁹ 28 U.S.C. sec. 455(a).

²⁰ 28 U.S.C. sec. 455(b), (e).

²¹ 28 U.S.C. sec. 455(c).

²² Sec. 6213(a). There are at least four statutory exceptions to the 90- or 150-day rule. First, the 90- or 150-day period is extended, if necessary, so that the final day of the period does not fall on a Saturday, a Sunday, or a legal holiday in the District of Columbia. Sec. 6213(a). Second, a taxpayer may file a petition after the 90- or 150-day period if the filing date is on or before the deadline specified by the IRS in the notice of deficiency and that deadline is after the statutory deadline. Sec. 6213(a). Third, the running of the filing period is suspended while the taxpayer is precluded from filing a Tax Court petition due to an ongoing bankruptcy case, and for 60 days thereafter. Sec. 6213(f)(1). Fourth, the running of the filing period for a petition to contest certain excise tax deficiency determinations is suspended for any period during which the IRS extends the time allowed the taxpayer for correcting the tax-triggering event. Sec. 6213(e).

and, if such claim is denied or is not acted upon within six months, file suit in a U.S. district court or the Court of Federal Claims.²³

Until recently, the Tax Court and the U.S. courts of appeal consistently held that the taxpayer's meeting of the 90- or 150-day deadline is a prerequisite for the Tax Court's jurisdiction over a deficiency dispute and that the deadline may not be extended even on grounds of equity—that is, the deadline is not subject to “equitable tolling.”²⁴ According to the Supreme Court: “[E]quitable tolling pauses the running of, or ‘tolls,’ a [period] of limitations when a litigant has pursued his rights diligently but some extraordinary circumstance prevents him from bringing a timely action.”²⁵

In 2022, the Supreme Court ruled that the 30-day deadline for taxpayers to file a Tax Court petition to contest an IRS notice of determination to proceed with a lien or levy action²⁶ is not a jurisdictional deadline and is subject to equitable tolling.²⁷ The Supreme Court stated that a filing deadline is jurisdictional (and so cannot be equitable tolled) only if Congress “clearly states” that it is.²⁸

After the Supreme Court's 2022 decision, the Tax Court reconsidered the 90- or 150-day deadline for deficiency petitions and reaffirmed its longstanding position that the deadline is jurisdictional.²⁹ However, the U.S. courts of appeal for the second, third, and sixth circuits have since reversed their precedent and held that the deficiency petition deadline is not jurisdictional and is subject to equitable tolling.³⁰ Since the Tax Court follows the relevant precedent of the U.S. court of appeal to which the taxpayer's case would be appealable,³¹ the Tax Court currently will consider a motion for equitable tolling when a petitioner misses the 90- or 150-day deficiency petition deadline and the petitioner's case would be appealable to the second, third, or sixth circuits.

Effects of petition dismissal

Any dismissal by the Tax Court of a deficiency petition (for instance, due to the petitioner's failure to state a legally cognizable claim or to prosecute the case) is generally treated by statute as the Tax Court's decision that the taxpayer has a deficiency in the amount determined in the notice of deficiency.³² The only exceptions are when (1) the Tax Court cannot discern from the record the deficiency amount determined by the IRS, or (2) the dismissal is for lack of jurisdiction.³³ Otherwise, a dismissal has res judicata effect, meaning that the taxpayer may not sue for a refund in a U.S. district court or the Court of Federal Claims after paying the

²³ See secs. 6213(a), 7422, 6532(a).

²⁴ See *Hallmark Rsch. Collective v. Commissioner*, 159 T.C. 126, 153–63 (2022).

²⁵ *Lozano v. Montoya Alvarez*, 572 U.S. 1, 10 (2014).

²⁶ See sec. 6330(d)(1).

²⁷ *Boechler, P.C. v. Commissioner*, 596 U.S. 199 (2022).

²⁸ *Ibid.* at 203.

²⁹ *Hallmark*, *supra*; *Sanders v. Commissioner*, 161 T.C. 112 (2023).

³⁰ *Oquendo v. Commissioner*, No. 24 1205 (6th Cir. Aug. 25, 2025); *Buller v. Commissioner*, No. 24 1557 (2d Cir. Aug. 14, 2025); *Culp v. Commissioner*, 75 F.4th 196 (3d Cir. 2023), cert. denied 144 S. Ct. 2685 (2024).

³¹ See *Golsen v. Commissioner*, 54 T.C. 742, 757 (1970). Generally, a Tax Court decision is appealable to the circuit in which the petitioner's legal residence at the time of filing the Tax Court petition was located. See sec. 7482(b).

³² Sec. 7459(d).

³³ *Ibid.*

disputed tax liability.³⁴ In effect, the taxpayer loses the ability to litigate the deficiency determination on the merits (unless the applicable U.S. court of appeal finds that the Tax Court's dismissal was erroneous). The statutory rule precludes a taxpayer who receives a notice of deficiency and files a petition in the Tax Court from later choosing to pay the tax and litigate the matter in a different Federal court (for instance, in order to have the case tried by jury).³⁵

REASONS FOR CHANGE

The Committee believes that Tax Court petitioners with a legitimate reason for failing to meet the statutory deadline for filing a petition to contest a notice of deficiency should not lose the opportunity to litigate the disputed liability before paying it. The Committee considers the possibility of equitable tolling to be particularly important at a court the majority of whose petitioners are self-represented. Therefore, the Committee desires the Tax Court to have jurisdiction over late-filed deficiency petitions if the late filing occurs due to circumstances beyond the petitioner's control and despite the petitioner's reasonable diligence. Further, the Committee believes it would be unfair to preclude late-filing deficiency petitioners who do not qualify for equitable tolling from litigating their dispute on the merits after paying the tax and claiming a refund.

EXPLANATION OF PROVISION

The provision explicitly grants the Tax Court jurisdiction to toll the 90- or 150-day period for filing a petition contesting a notice of deficiency in cases where the Court determines that equitable tolling is warranted. Accordingly, when a deficiency petition is filed beyond the 90- or 150-day deadline and none of the other statutory exceptions apply, the Tax Court will consider a motion for equitable tolling, regardless of to which U.S. court of appeals its decision is appealable.

The provision amends the statutory rule that any dismissal by the Tax Court of a deficiency petition is generally treated as the Tax Court's decision that the taxpayer has a deficiency in the amount determined in the notice of deficiency. The provision exempts from this rule any dismissal by the Tax Court solely on the grounds that the Court has determined that equitable tolling does not apply to extend the 90- or 150-day deadline for filing the petition. Accordingly, a taxpayer who files a deficiency petition past the deadline and whose circumstances do not merit equitable tolling generally may still pay the disputed tax, sue for a refund in a U.S. district court or the Court of Federal Claims, and litigate the tax liability on the merits.

EFFECTIVE DATE

The provision is effective for Tax Court petitions filed after the date of enactment. The provision's amendment to the Tax Court's jurisdiction shall not be construed to create any inference regarding the Tax Court's jurisdiction over any petition filed on or before the date of enactment.

³⁴ See sec. 6512(a); *Hallmark*, *supra*, at 145.

³⁵ See, e.g., *Estate of Ming v. Commissioner*, 62 T.C. 519 (1974).

III. VOTES OF THE COMMITTEE

Pursuant to clause 3(b) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the vote of the Committee on Ways and Means in its consideration of H.R. 5349, the “Tax Court Improvement Act,” as amended on September 17, 2025.

H.R. 5349 was ordered favorably reported to the House of Representatives as amended by a roll call vote of 40 yeas to 0 nays (with a quorum being present). The vote was as follows:

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Smith (MO)	X	.....	.....	Mr. Neal	X	.....	.....
Mr. Buchanan	X	.....	.....	Mr. Doggett	X	.....	.....
Mr. Smith(NE)	X	.....	.....	Mr. Thompson	X	.....	.....
Mr. Kelly	X	.....	.....	Mr. Larson	X	.....	.....
Mr. Schweikert	X	.....	.....	Mr. Davis	X	.....	.....
Mr. LaHood	X	.....	.....	Ms. Sanchez .....	.....	.....	.....
Mr. Arrington	X	.....	.....	Ms. Sewell	X	.....	.....
Mr. Estes .....	.....	.....	.....	Ms. DelBene	X	.....	.....
Mr. Smucker	X	.....	.....	Ms. Chu	X	.....	.....
Mr. Hern	X	.....	.....	Ms. Moore	X	.....	.....
Mrs. Miller	X	.....	.....	Mr. Boyle	X	.....	.....
Dr. Murphy	X	.....	.....	Mr. Beyer .....	.....	.....	.....
Mr. Kustoff	X	.....	.....	Mr. Evans	X	.....	.....
Mr. Fitzpatrick	X	.....	.....	Mr. Schneider .....	.....	.....	.....
Mr. Steube	X	.....	.....	Mr. Panetta	X	.....	.....
Ms. Tenney	X	.....	.....	Mr. Gomez .....	.....	.....	.....
Mrs. Fischbach	X	.....	.....	Mr. Horsford	X	.....	.....
Mr. Moore	X	.....	.....	Ms. Plaskett	X	.....	.....
Ms. Van Dyne	X	.....	.....	Mr. Suozzi	X	.....	.....
Mr. Feenstra	X	.....	.....		
Ms. Malliotakis	X	.....	.....		
Mr. Carey	X	.....	.....		
Mr. Yakym	X	.....	.....		
Mr. Miller	X	.....	.....		
Mr. Bean	X	.....	.....		
Mr. Moran	X	.....	.....		

IV. BUDGET EFFECTS OF THE BILL

A. COMMITTEE ESTIMATE OF BUDGETARY EFFECTS

In compliance with clause 3(d) of rule XIII of the Rules of the House of Representatives, the following statement is made concerning the effects on the budget of the bill, H.R. 5349 as reported. The Congressional Budget Act of 1974, as amended stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (“JCT”) will be the official estimates for all tax legislation considered by Congress. As such CBO incorporates these estimates into its cost estimates of the effects of the legislation. The estimates for the revenue provisions of H.R. 5349 were provided by JCT.

The staff of the Joint Committee on Taxation estimates the bill to have the following effect on Federal fiscal year budget receipts for the period 2026 through 2035:

**ESTIMATED REVENUE EFFECTS OF H.R. 5349, THE “TAX COURT IMPROVEMENT ACT,” SCHEDULED
FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON SEPTEMBER 17, 2025**

[Fiscal Years 2026–2035]
[Millions of Dollars]

Provision	Effective	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2026–35
1. Authorization of subpoenas before hearings to facilitate settlements.	DOE	Negligible Revenue Effect.....										
2. Authorization of special trial judges to hear additional cases and address contempt.	[1]		[2]	1	1	2	2	2	1	[2]	[2]	9
3. Disqualification of Tax Court judges and special trial judges.	DOE	Negligible Revenue Effect.....										
4. Clarification of Tax Court jurisdiction to apply equitable tolling in deficiency cases.	fma DOE ..	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	[3]	—3
NET TOTAL .....	.....	[3]	[2]	[2]	1	2	2	2	[2]	[3]	[3]	6

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. The date of enactment is assumed to be October 1, 2025.

Legend for “Effective” column:

fma = filings made after

DOE = date of enactment

[1] Generally effective on the date of enactment. The authorization of special trial judges to hear proceedings and render the Tax Court’s decision in cases where the parties consent and the Tax Court’s rules so provide is effective upon the Tax Court’s adoption of such rules.

[2] Gain of less than \$500,000.

[3] Loss of less than \$500,000.

**B. STATEMENT REGARDING NEW BUDGET AUTHORITY AND TAX
EXPENDITURES BUDGET AUTHORITY**

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee states that the bill involves no new or increased budget authority.

**C. COST ESTIMATE PREPARED BY THE CONGRESSIONAL BUDGET
OFFICE**

The Congressional Budget Act of 1974, as amended stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (“JCT”) will be the official estimates for all tax legislation considered by Congress. As such CBO incorporates these estimates into its cost estimates of the effects of the legislation. The estimates for the revenue provisions of H.R. 5349 were provided by JCT (See Attachment 1—Part IV, A).

**V. OTHER MATTERS TO BE DISCUSSED UNDER THE
RULES OF THE HOUSE**

A. COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

With respect to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee made findings and recommendations that are reflected in this report.

B. STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill does not authorize funding, so no statement of general performance goals and objectives is required.

C. APPLICABILITY OF HOUSE RULE XXI, CLAUSE 5(b)

Rule XXI 5(b) of the Rules of the House of Representatives provides, in part, that “A bill or joint resolution, amendment, or conference report carrying a Federal income tax rate increase may not be considered as passed or agreed to unless so determined by a vote of not less than three-fifths of the Members voting, a quorum being present.” The Committee has carefully reviewed the bill and states that the bill does not provide such a Federal income tax rate increase.

D. INFORMATION RELATING TO UNFUNDED MANDATES

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995 (Pub. L. No. 104-4).

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

E. CONGRESSIONAL EARMARKS, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill, and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

F. DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111-139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95-220, as amended by Pub. L. No. 98-169).

G. TAX COMPLEXITY ANALYSIS

Section 4022(b) of the Internal Revenue Service Reform and Restructuring Act of 1998 (the “IRS Reform Act”) requires the staff of the Joint Committee on Taxation (in consultation with the Internal Revenue Service and the Treasury Department) to provide a tax complexity analysis. The complexity analysis is required for all legislation reported by the Senate Committee on Finance, the House Committee on Ways and Means, or any committee of conference if the legislation includes a provision that directly or indirectly amends the Internal Revenue Code and has widespread applicability to individuals or small businesses.

The staff of the Joint Committee on Taxation has determined that there are no provisions in the bill that are of widespread applicability to individuals or small businesses.

VI. CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

A. TEXT OF EXISTING LAW AMENDED OR REPEALED BY THE BILL, AS REPORTED

Pursuant to clause 3(e) of rule XIII of the Rules of the House of Representatives, the text of each section proposed to be repealed by the bill is shown below:

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 (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1986

* * * * *

Subtitle F—Procedure and Administration

* * * * *

CHAPTER 76—JUDICIAL PROCEEDINGS

* * * * *

Subchapter C—THE TAX COURT

* * * * *

PART I—ORGANIZATION AND JURISDICTION

* * * * *

SEC. 7443A. SPECIAL TRIAL JUDGES.

(a) APPOINTMENT.—The chief judge may, from time to time, appoint special trial judges who shall proceed under such rules and regulations as may be promulgated by the Tax Court.

(b) PROCEEDINGS WHICH MAY BE ASSIGNED TO SPECIAL TRIAL JUDGES.—The chief judge may assign—

- (1) any declaratory judgment proceeding,
- (2) any proceeding under section 7463,
- (3) any proceeding where neither the amount of the deficiency placed in dispute (within the meaning of section 7463) nor the amount of any claimed overpayment exceeds \$50,000,
- (4) any proceeding under section 6320 or 6330,
- (5) any proceeding under section 7436(c),
- (6) any proceeding under section 7623(b)(4), [and]
- (7) *upon the consent of the parties, and pursuant to rules promulgated by the Tax Court, any proceeding not described in paragraphs (1) through (6), and*

[(7)] (8) any other proceeding which the chief judge may designate,
to be heard by the special trial judges of the court.

(c) **AUTHORITY TO MAKE COURT DECISION.**—The court may authorize a special trial judge to make the decision of the court with respect to any proceeding described in paragraph (1), (2), (3), (4), (5), [(or (6))] (6), or (7) of subsection (b), subject to such conditions and review as the court may provide.

(d) **SALARY.**—Each special trial judge shall receive salary—

(1) at a rate equal to 90 percent of the rate for judges of the Tax Court, and

(2) in the same installments as such judges.

(e) **EXPENSES FOR TRAVEL AND SUBSISTENCE.**—Subsection (d) of section 7443 shall apply to special trial judges subject to such rules and regulations as may be promulgated by the Tax Court.

(f) **INCIDENTAL POWERS.**—*A special trial judge appointed under this section shall have the power to punish for contempt of the authority of the Tax Court as provided in section 7456(c), except the sentence imposed by such a special trial judge for any contempt shall not exceed the penalties for a Class C misdemeanor as set forth in sections 3571(b)(6) and 3581(b)(8) of title 18, United States Code. This subsection shall not be construed to limit the authority of a special trial judge to order sanctions under any other statute or any rule of the Tax Court prescribed pursuant to section 7453.*

* * * * *

PART II—PROCEDURE

Sec.

* * * * *

7467. *Disqualification of judge or special trial judge.*

SEC. 7451. PETITIONS.

(a) **FEES.**—The Tax Court is authorized to impose a fee in an amount not in excess of \$60 to be fixed by the Tax Court for the filing of any petition.

[(b) **TOLLING OF TIME IN CERTAIN CASES.**—

[(1) **IN GENERAL.**—Notwithstanding any other provision of this title, in any case (including by reason of a lapse in appropriations) in which a filing location is inaccessible or otherwise unavailable to the general public on the date a petition is due, the relevant time period for filing such petition shall be tolled for the number of days within the period of inaccessibility plus an additional 14 days.

[(2) **FILING LOCATION.**—For purposes of this subsection, the term “filing location” means—

[(A) the office of the clerk of the Tax Court, or

[(B) any on-line portal made available by the Tax Court for electronic filing of petitions.]

(b) **TOLLING OF TIME.**—

(1) **IN GENERAL.**—*The Tax Court shall have jurisdiction to toll the period for filing a petition under section 6213(a) in cases in which the Tax Court determines based on the facts and circumstances that equity warrants such tolling.*

(2) **RULES FOR INACCESSIBLE FILING LOCATIONS.**—

(A) *IN GENERAL.*—Notwithstanding any other provision of this title, in any case (including by reason of a lapse in appropriations) in which a filing location is inaccessible or otherwise unavailable to the general public on the date a petition is due, the relevant time period for filing such petition shall be tolled for the number of days within the period of inaccessibility plus an additional 14 days.

(B) *FILING LOCATION.*—For purposes of this paragraph, the term “filing location” means—

- (i) the office of the clerk of the Tax Court, or
- (ii) any on-line portal made available by the Tax Court for electronic filing of petitions.

* * * * *

SEC. 7456. ADMINISTRATION OF OATHS AND PROCUREMENT OF TESTIMONY.

[(a) *IN GENERAL.*—For the efficient administration of the functions vested in the Tax Court or any division thereof, any judge or special trial judge of the Tax Court, the clerk of the court or his deputies, as such, or any other employee of the Tax Court designated in writing for the purpose by the chief judge, may administer oaths, and any judge or special trial judge of the Tax Court may examine witnesses and require, by subpoena ordered by the Tax Court or any division thereof and signed by the judge or special trial judge (or by the clerk of the Tax Court or by any other employee of the Tax Court when acting as deputy clerk)—

[(1) the attendance and testimony of witnesses, and the production of all necessary returns, books, papers, documents, correspondence, and other evidence, from any place in the United States at any designated place of hearing, or

[(2) the taking of a deposition before any designated individual competent to administer oaths under this title. In the case of a deposition the testimony shall be reduced to writing by the individual taking the deposition or under his direction and shall then be subscribed by the deponent.]

(a) *IN GENERAL.*—

(1) *ADMINISTRATION OF OATHS.*—For the efficient administration of the functions vested in the Tax Court or any division thereof, any judge or special trial judge, the clerk or the clerk’s deputies, as such, or any other employee of the Tax Court designated in writing for the purpose by the chief judge, may administer oaths or affirmations.

(2) *SUBPOENA AUTHORITY.*—Any judge or special trial judge may examine witnesses and require, by subpoena ordered by the Tax Court or any division thereof and signed by the judge or special trial judge (or by the clerk of the Tax Court or by any other employee of the Tax Court when acting as deputy clerk), any of the following:

(A) *The attendance of parties or witnesses.*

(B) *The production of books, papers, documents, electronically stored information, or tangible things from any place in the United States by any party or witness having custody or control thereof for purposes of discovery or for use of the things produced as evidence in accordance with the rules and orders of the Tax Court.*

Any such subpoena shall be issued and served, and compliance therewith shall be compelled, as provided in the rules and orders of the Tax Court.

(3) DEPOSITIONS.—Pursuant to rules and orders of the Court, the deposition of a witness may be taken before any designated individual competent to administer oaths under this title. Any deposition testimony shall be reduced to writing by the individual taking the deposition, or under such individual's direction, and shall be subscribed by the deponent.

(b) PRODUCTION OF RECORDS IN THE CASE OF FOREIGN CORPORATIONS, FOREIGN TRUSTS OR ESTATES AND NONRESIDENT ALIEN INDIVIDUALS.—The Tax Court or any division thereof, upon motion and notice by the Secretary, and upon good cause shown therefor, shall order any foreign corporation, foreign trust or estate, or nonresident alien individual, who has filed a petition with the Tax Court, to produce, or, upon satisfactory proof to the Tax Court or any of its divisions, that the petitioner is unable to produce, to make available to the Secretary, and, in either case, to permit the inspection, copying, or photographing of, such books, records, documents, memoranda, correspondence and other papers, wherever situated, as the Tax Court or any division thereof, may deem relevant to the proceedings and which are in the possession, custody or control of the petitioner, or of any person directly or indirectly under his control or having control over him or subject to the same common control. If the petitioner fails or refuses to comply with any of the provisions of such order, after reasonable time for compliance has been afforded to him, the Tax Court or any division thereof, upon motion, shall make an order striking out pleadings or parts thereof, or dismissing the proceeding or any part thereof, or rendering a judgment by default against the petitioner. For the purpose of this subsection, the term “foreign trust or estate” includes an estate or trust, any fiduciary of which is a foreign corporation or nonresident alien individual; and the term “control” is not limited to legal control.

(c) INCIDENTAL POWERS.—The Tax Court and each division thereof shall have power to punish by fine or imprisonment, at its discretion, such contempt of its authority, and none other, as—

(1) misbehavior of any person in its presence or so near thereto as to obstruct the administration of justice;

(2) misbehavior of any of its officers in their official transactions; or

(3) disobedience or resistance to its lawful writ, process, order, rule, decree, or command.

It shall have such assistance in the carrying out of its lawful writ, process, order, rule, decree, or command as is available to a court of the United States. The United States marshal for any district in which the Tax Court is sitting shall, when requested by the chief judge of the Tax Court, attend any session of the Tax Court in such district and may otherwise provide, when requested by the chief judge of the Tax Court, for the security of the Tax Court, including the personal protection of Tax Court judges, court officers, witnesses, and other threatened persons in the interests of justice, where criminal intimidation impedes on the functioning of the judicial process or any other official proceeding. The United States

Marshals Service retains final authority regarding security requirements for the Tax Court.

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SEC. 7459. REPORTS AND DECISIONS.

(a) **REQUIREMENT.**—A report upon any proceeding instituted before the Tax Court and a decision thereon shall be made as quickly as practicable. The decision shall be made by a judge in accordance with the report of the Tax Court, and such decision so made shall, when entered, be the decision of the Tax Court.

(b) **INCLUSION OF FINDINGS OF FACT OR OPINIONS IN REPORT.**—It shall be the duty of the Tax Court and of each division to include in its report upon any proceeding its findings of fact or opinion or memorandum opinion. The Tax Court shall report in writing all its findings of fact, opinions, and memorandum opinions. Subject to such conditions as the Tax Court may by rule provide, the requirements of this subsection and of section 7460 are met if findings of fact or opinion are stated orally and recorded in the transcript of the proceedings.

(c) **DATE OF DECISION.**—A decision of the Tax Court (except a decision dismissing a proceeding for lack of jurisdiction) shall be held to be rendered upon the date that an order specifying the amount of the deficiency is entered in the records of the Tax Court or, in the case of a declaratory judgment proceeding under part IV of this subchapter or under section 7428 or in the case of an action brought under section 6234, the date of the court's order entering the decision. If the Tax Court dismisses a proceeding for reasons other than lack of jurisdiction and is unable from the record to determine the amount of the deficiency determined by the Secretary, or if the Tax Court dismisses a proceeding for lack of jurisdiction, an order to that effect shall be entered in the records of the Tax Court, and the decision of the Tax Court shall be held to be rendered upon the date of such entry.

(d) **EFFECT OF DECISION DISMISSING PETITION.**—**[If a petition]**

(1) *IN GENERAL.*—*If a petition for a redetermination of a deficiency has been filed by the taxpayer, a decision of the Tax Court dismissing the proceeding shall be considered as its decision that the deficiency is the amount determined by the Secretary. An order specifying such amount shall be entered in the records of the Tax Court unless the Tax Court cannot determine such amount from the record in the proceeding, or unless the dismissal is for lack of jurisdiction.*

(2) *EXCEPTION.*—*Paragraph (1) shall not apply with respect to any dismissal which is solely based on a determination of the Tax Court not to toll the period for filing a petition under section 6213(a).*

(e) **EFFECT OF DECISION THAT TAX IS BARRED BY LIMITATION.**—If the assessment or collection of any tax is barred by any statute of limitations, the decision of the Tax Court to that effect shall be considered as its decision that there is no deficiency in respect of such tax.

(f) **FINDINGS OF FACT AS EVIDENCE.**—The findings of the Board of Tax Appeals made in connection with any decision prior to February 26, 1926, shall, notwithstanding the enactment of the Rev-

enue Act of 1926 (44 Stat. 9), continue to be prima facie evidence of the facts therein stated.

(g) PENALTY.—For penalty for taxpayer instituting proceedings before Tax Court merely for delay, see section 6673.

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SEC. 7467. DISQUALIFICATION OF JUDGE OR SPECIAL TRIAL JUDGE.

Section 455 of title 28, United States Code, shall apply to judges, special trial judges, and proceedings of the Tax Court.

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