

Union Calendar No. 373

119TH CONGRESS
2^D SESSION

H. R. 6506

[Report No. 119-428]

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

JANUARY 7, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on December 9, 2025]

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”.*

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

9 *(a) IN GENERAL.—Section 6330(e)(1) of the Internal*
 10 *Revenue Code of 1986 is amended by inserting “subsection*
 11 *(a), (b), or (c) of section 6511 (relating to limitations on*
 12 *credit or refund),” after “section 6502 (relating to collection*
 13 *after assessment),”.*

14 *(b) PERIOD OF LIMITATIONS ON FILING A CLAIM FOR*
 15 *CREDIT OR REFUND.—Section 6330(e) of such Code is*
 16 *amended by adding at the end the following new paragraph:*

17 *“(3) PERIOD OF LIMITATIONS ON FILING A CLAIM*
 18 *FOR CREDIT OR REFUND.—In the case of the running*
 19 *of any period of limitations under subsection (a), (b),*
 20 *or (c) of section 6511 with respect to the filing of any*
 21 *claim for credit or refund, paragraph (1)—*

22 *“(A) shall apply only to the extent that such*
 23 *credit or refund relates to an underlying tax li-*
 24 *ability properly disputed at the hearing re-*
 25 *quested under this section, and*

1 “(B) shall not result in a suspension of the
 2 running of such period of limitations after any
 3 date on which a lapse of a deadline, a court fil-
 4 ing, or a court order establishes that the tax-
 5 payer has forfeited or otherwise lost the right to
 6 pursue such dispute.”.

7 (c) *CROSS REFERENCE.*—Section 6511(i) of such Code
 8 is amended by adding at the end the following new para-
 9 graph:

10 “(8) For limitations in case of collection ac-
 11 tion proceedings, see section 6330(e).”.

12 (d) *EFFECTIVE DATE.*—The amendments made by this
 13 section shall apply to the running of any period of limita-
 14 tions if such period (determined without regard to the
 15 amendments made by this section) ends on or after the date
 16 of the enactment of this Act.

17 **SEC. 3. PROHIBITION ON CREDITING OF OVERPAYMENTS**
 18 **AGAINST DISPUTED TAX LIABILITY DURING**
 19 **COLLECTION ACTION PROCEEDINGS.**

20 (a) *IN GENERAL.*—Section 6402 of the Internal Rev-
 21 enue Code of 1986 is amended by adding at the end the
 22 following new subsection:

23 “(o) *PROHIBITION ON CREDITING OF OVERPAYMENTS*
 24 *AGAINST DISPUTED TAX LIABILITY DURING COLLECTION*
 25 *ACTION PROCEEDINGS.*—If a hearing is properly requested

1 *under section 6320(a)(3)(B) or 6330(a)(3)(B), and an un-*
 2 *derlying tax liability referred to in section 6330(c)(2)(B)*
 3 *is properly disputed at such hearing, such tax liability shall*
 4 *not, except with the consent of the taxpayer, be taken into*
 5 *account under subsection (a) for the period during which*
 6 *the period of limitations for filing a claim for credit or re-*
 7 *fund relating to such tax liability is suspended by reason*
 8 *of section 6330(e).”.*

9 *(b) CLARIFICATION OF APPLICATION OF CERTAIN LEVY*
 10 *HEARING RULES TO LIEN HEARINGS.—Section*
 11 *6330(c)(2)(A) of such Code is amended by striking “unpaid*
 12 *tax or the proposed levy” and inserting “unpaid tax, collec-*
 13 *tion action, or proposed collection action”.*

14 *(c) EFFECTIVE DATES.—*

15 *(1) IN GENERAL.—The amendment made by sub-*
 16 *section (a) shall apply with respect to any period de-*
 17 *scribed in section 6402(o) of the Internal Revenue*
 18 *Code of 1986 (as added by this section) if any portion*
 19 *of such period is after the date of the enactment of*
 20 *this Act.*

21 *(2) CLARIFICATION OF APPLICATION OF CERTAIN*
 22 *LEVY HEARING RULES TO LIEN HEARINGS.—The*
 23 *amendment made by subsection (b) shall take effect on*
 24 *the date of the enactment of this Act.*

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

2 (a) *IN GENERAL.*—Section 6330(d)(1) of the Internal
3 Revenue Code of 1986 is amended to read as follows:

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

5 “(A) *IN GENERAL.*—In the case of a deter-
6 mination under this section, the person may,
7 within 30 days of such determination, petition
8 the Tax Court for review of—

9 “(i) such determination, and

10 “(ii) any underlying tax liability re-
11 ferred to in subsection (c)(2)(B) which is
12 properly disputed at the hearing in which
13 such determination is made.

14 “(B) *JURISDICTION OF TAX COURT.*—Upon
15 the filing of a petition, the Tax Court shall have
16 jurisdiction with respect to—

17 “(i) the determination referred to in
18 subparagraph (A)(i),

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

21 “(iii) any equitable tolling of the 30-
22 day deadline referred to in subparagraph
23 (A).

24 “(C) *RETENTION OF JURISDICTION.*—Upon
25 a determination being made under this section,
26 subparagraphs (A) and (B) shall apply whether

1 *or not the Secretary abandons the collection ac-*
2 *tion or proposed collection action at issue in*
3 *such determination.”.*

4 *(b) EFFECTIVE DATE.—The amendment made by this*
5 *section shall apply with respect to petitions filed after the*
6 *date of the enactment of this Act.*

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