



H.R. 5349, the *Tax Court Improvement Act*

Reps. Moran (R-TX), Sewell (D-AL)

Background:

- 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.

The Tax Court Improvement Act:

- 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.

Endorsed by:

- National Taxpayers Union
- Small Business & Entrepreneurship Council
- Taxpayers Protection Alliance