

**DESCRIPTION OF H.R. 6495,  
THE “TAXPAYER NOTIFICATION AND PRIVACY ACT”**

Scheduled for Markup  
by the  
HOUSE COMMITTEE ON WAYS AND MEANS  
on December 10, 2025

Prepared by the Staff  
of the  
JOINT COMMITTEE ON TAXATION



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## INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup for December 10, 2025, of H.R. 6495, the “Taxpayer Notification and Privacy Act.” This document,<sup>1</sup> prepared by the staff of the Joint Committee on Taxation, provides a description of this bill.

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<sup>1</sup> This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 6495, the “Taxpayer Notification and Privacy Act”* (JCX-46-25), December 8, 2025. This document can also be found on the Joint Committee on Taxation website at [www.jct.gov](http://www.jct.gov). All section references in the document are to the Internal Revenue Code of 1986, as amended (the “Code”), unless otherwise stated.

## **A. Specificity of Third-Party Contact Notices**

### **Present Law**

The IRS has broad statutory authority to require production of information in the course of an examination.<sup>2</sup> During an audit, the IRS may informally request that the taxpayer provide additional information necessary to arrive at a fair and accurate audit adjustment, if any adjustment is warranted. Not all taxpayers cooperate with such requests, whether by failing to respond or by providing inadequate or incomplete responses. In such cases, if the necessary information cannot be developed from other witnesses or sources, the IRS seeks information by issuing an administrative summons.<sup>3</sup>

In attempting to develop information from other witnesses or sources, the IRS is required to provide notice to the taxpayer of its intent to contact persons other than the taxpayer at least 45 days in advance of the period in which the IRS intends to make such contact. There is no requirement that the IRS inform the taxpayer what specific information the IRS needs before contacting third parties. The notice is required to specify the period during which the IRS intends to make contact with a third-party and that period cannot exceed one year. However, notices are permitted to be issued to the same taxpayer with respect to the same tax liability with periods specified that, in the aggregate, exceed one year. The provision requires the notice to be provided only if there is a present intent at the time such notice is given for the IRS to make such contacts. This intent can be met on the basis of the assumption that the information sought to be obtained will not be obtained by other means before such contact.<sup>4</sup> The IRS is required to provide periodically to the taxpayer a record of persons contacted during the prior period by the IRS with respect to the determination or collection of that taxpayer's tax liability. This record is also required to be provided upon request of the taxpayer. The third-party contact notice requirement does not apply to criminal tax matters, if the collection of the tax liability is in jeopardy, if the Secretary determines for good cause shown that disclosure may involve reprisal against any person, or if the taxpayer authorized the contact.

If the informal attempts to develop information from either the taxpayer or third-party contacts are not successful, the IRS may issue an administrative summons for such information. When the summons in question is issued to a third-party rather than the taxpayer, the IRS generally must notify the taxpayer whose liability is the subject of the inquiry, who may then petition the court to quash an administrative summons. The rules regarding summonses to third-parties include five exceptions to the requirement of providing notice to the taxpayer whose taxes are the subject of the request: (1) summonses issued to the taxpayer herself; (2) a summons to ascertain whether records exist; (3) summonses issued to identify of the owner of a specified bank account or similar arrangement; (4) collection related summonses; and (5) criminal

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<sup>2</sup> Sec. 7602.

<sup>3</sup> Sec. 7602.

<sup>4</sup> Sec. 7602(c)(1).

investigation summonses that are not issued to a third-party recordkeeper within the meaning of Code section 7603(b).<sup>5</sup>

A request for information in the form of an administrative summons is enforceable in court if the IRS establishes its good faith, as evidenced by the factors enunciated by the Supreme Court in *United States v. Powell*.<sup>6</sup> The U.S. Supreme Court articulated four basic elements necessary to establish that the government issued a summons in good faith: (1) the investigation must be conducted for a legitimate purpose; (2) the information sought is relevant to and “may shed light on” that legitimate purpose; (3) the requested information is not already in the possession of the IRS; and (4) the IRS complied with all statutorily required administrative steps.<sup>7</sup> Subsequent to *United States v. Powell*, the legitimacy of using an administrative summons in furtherance of an investigation into criminal violations was validated in *United States v. LaSalle National Bank*,<sup>8</sup> in which the Supreme Court determined that the dual civil and criminal purpose was legitimate, so long as there had not yet been a commitment to refer the case for prosecution.

### **Description of Proposal**

With respect to the third-party notice requirements, the proposal requires the IRS, in certain situations, to provide taxpayers with tailored notices that identify each specific item of information the IRS plans to request from a third party.<sup>9</sup> Specificity is required in any case in which the information to be obtained from third parties could reasonably be provided by the taxpayer, and the IRS has not previously requested the information from the taxpayer. However, specificity is not required if the Secretary determines that the information sought from a person other than the taxpayer is necessary notwithstanding whether the taxpayer could independently provide such information. In addition, specificity is not required for notices sent to third party contacts in connection with the collection of a tax liability.

Except as otherwise provided by the Secretary, the proposal requires the notice to provide the taxpayer with at least 45 days (or more, if the taxpayer requests additional time and shows reasonable cause) to respond to the notice (including by providing the specified items of information) before contact is made with a third party.

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<sup>5</sup> Sec. 7609(c)(2).

<sup>6</sup> *United States v. Powell*, 379 U.S. 48 (1964).

<sup>7</sup> *United States v. Powell*, 379 U.S. 48, pp. 57-58 (1964).

<sup>8</sup> 437 U.S. 298 (1978); codified in section 7609(c).

<sup>9</sup> The proposal does not affect the other provisions in Code section 7602 dealing with third-party summonses.

### **Effective Date**

The proposal applies to notices provided under Code section 7602(c) after the date that is 12 months after the date of enactment.

## **B. Estimated Revenue Effects of the Proposal**

The staff of the Joint Committee on Taxation estimates that the bill has a negligible effect on Federal fiscal year budget receipts.