

119TH CONGRESS
1ST SESSION

H. R. 5146

To amend the Internal Revenue Code of 1986 to provide for certain rules
regarding determination of tax in the case of a receivership.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 4, 2025

Mr. LAHOOD (for himself and Mr. BEYER) introduced the following bill; which
was referred to the Committee on Ways and Means, and in addition to
the Committee on the Judiciary, for a period to be subsequently deter-
mined by the Speaker, in each case for consideration of such provisions
as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide
for certain rules regarding determination of tax in the
case of a receivership.

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 “Federal Receivership
5 Fairness Act”.

1 **SEC. 2. DETERMINATION OF TAX LIABILITY OF RECEIVER-**
2 **SHIP ESTATE.**

3 (a) IN GENERAL.—Subchapter B of chapter 70 of the
4 Internal Revenue Code of 1986 is amended by adding at
5 the end the following new section:

6 **“SEC. 6874. DETERMINATION OF TAX LIABILITY BY COURTS.**

7 “(a) IN GENERAL.—Except as provided in subsection
8 (b), the court appointing a receiver in any receivership
9 proceeding before any court of the United States or of any
10 State or the District of Columbia may determine the
11 amount or legality of any Federal tax, any fine or penalty
12 relating to such a tax, or any addition to such tax, whether
13 or not previously assessed, whether or not paid, and
14 whether or not contested before and adjudicated by a judi-
15 cial or administrative tribunal of competent jurisdiction.

16 “(b) EXCEPTIONS.—The court described in sub-
17 section (a) shall not determine—

18 “(1) the amount or legality of any Federal tax,
19 fine, penalty, or addition to tax if such amount or
20 legality was contested before and adjudicated by a
21 judicial or administrative tribunal of competent ju-
22 risdiction before the commencement of the receiver-
23 ship,

24 “(2) any right of the estate to a Federal tax re-
25 fund, before the earlier of—

1 “(A) 120 days after the receiver properly
2 requests such refund, or

3 “(B) a determination by the appropriate
4 governmental unit of such request, or

5 “(3) the amount or legality of any amount arising in connection with an ad valorem tax on real or
6 personal property of the receivership estate, if the
7 applicable period for contesting or redetermining
8 that amount under any otherwise applicable law has
9 expired.
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11 “(c) REQUEST FOR DETERMINATION.—

12 “(1) PROVISION OF ADDRESS, ETC.—The clerk
13 of the court described in subsection (a) shall maintain records under which the appropriate governmental unit may—
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15

16 “(A) designate an address for service of requests under paragraph (2), and
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18 “(B) describe where further information
19 concerning additional requirements for filing
20 such requests may be found.

21 If the appropriate governmental unit does not designate an address and provide such address to the
22 clerk under subparagraph (A), any request made
23 under paragraph (2) may be served at the address
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1 for the filing of a tax return or protest with respect
2 to Federal taxes.

3 “(2) REQUEST FOR DETERMINATION.—A re-
4 ceiver may request a determination of any unpaid li-
5 ability of the estate for any tax incurred before or
6 during the administration of the case by submitting
7 a tax return for such tax and a request for such a
8 determination at the address and in the manner des-
9 ignated in paragraph (1). Unless such return is
10 fraudulent, or contains a material misrepresentation,
11 the estate, the receiver, the individual or entity in
12 receivership, and any successor to such individual or
13 entity are all discharged from any liability for such
14 tax—

15 “(A) upon payment of the tax shown on
16 such return, if—

17 “(i) the appropriate governmental
18 unit does not notify the receiver, within 60
19 days after such request, that such return
20 has been selected for examination, or

21 “(ii) the appropriate governmental
22 unit does not complete such an examina-
23 tion and notify the receiver of any tax due
24 within 180 days after such request or with-

1 in such additional time as the court, for
2 cause, permits,

3 “(B) upon payment of the tax determined
4 by the court, after notice and a hearing, after
5 completion by the appropriate governmental
6 unit of such examination; or

7 “(C) upon payment of the tax determined
8 by the appropriate governmental unit to be due.

9 “(d) ASSESSMENT.—After determination by the court
10 of a tax under this section, the appropriate governmental
11 unit may assess such tax against the estate, the individual
12 or entity in receivership, any successor to such individual
13 or entity, or any entity arising out of the receivership, as
14 the case may be, subject to any otherwise applicable law.

15 “(e) DEFINITIONS.—For purposes of this section—

16 “(1) RECEIVER.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), the term ‘receiver’ means
19 any person or entity appointed or recognized as
20 a receiver in any action or proceeding by order
21 of a Federal or State court.

22 “(B) EXCEPTIONS.—The term ‘receiver’
23 does not include—

1 “(i) a bankruptcy trustee appointed in
2 a bankruptcy case under title 11, United
3 States Code, or

4 “(ii) an executor of a decedent’s es-
5 tate whose rights and responsibilities as to
6 Federal tax matters are set forth in or
7 governed by other Federal or State law.

8 “(2) APPROPRIATE GOVERNMENTAL UNIT.—
9 The term ‘appropriate governmental unit’ means a
10 Federal, State, or local governmental unit respon-
11 sible for the collection of taxes within the jurisdic-
12 tion of such governmental unit.

13 “(f) WAIVER OF SOVEREIGN IMMUNITY.—

14 “(1) IN GENERAL.—Notwithstanding an asser-
15 tion of sovereign immunity, sovereign immunity is
16 abrogated as to the appropriate governmental unit
17 to the extent set forth in this subsection with respect
18 to the following:

19 “(A) All matters in subsections (a)
20 through (e).

21 “(B) The court described in subsection (a)
22 may hear and determine any issue arising with
23 respect to the application of this section to the
24 appropriate governmental unit.

1 “(C) The court may issue against the ap-
2 propriate governmental unit an order, process,
3 or judgment under this section or under the
4 Federal Rules of Civil Procedure, including an
5 order or judgment awarding a money recovery,
6 but not including an award of punitive dam-
7 ages. Such order or judgment for costs or fees
8 under this section or the Federal Rules of Civil
9 Procedure against the appropriate governmental
10 unit shall be consistent with the provisions and
11 limitations of section 2412(d)(2)(A) of title 28,
12 United States Code.

13 “(D) The enforcement of any such order,
14 process, or judgment against the appropriate
15 governmental unit shall be consistent with ap-
16 propriate law applicable to the governmental
17 unit and, in the case of a money judgment
18 against the United States, shall be paid as if it
19 is a judgment rendered by a district court of
20 the United States or any State court.

21 “(E) Nothing in this section shall create
22 any substantive claim for relief or cause of ac-
23 tion not otherwise existing under the Federal
24 Rules of Civil Procedure or other applicable
25 law.

1 “(2) DEEMED WAIVER.—If the appropriate gov-
2 ernmental unit asserts a claim in any receivership
3 case, the appropriate governmental unit is deemed to
4 have waived sovereign immunity with respect to a
5 claim against the appropriate governmental unit that
6 is property of the receivership estate therein and
7 that arose out of the same transaction or occurrence
8 out of which the claim of the appropriate govern-
9 mental unit arose.

10 “(3) OFFSET OF CLAIMS.—Notwithstanding
11 any assertion of sovereign immunity by the appro-
12 priate governmental unit, there shall be offset
13 against a claim or interest of the appropriate gov-
14 ernmental unit any claim against such governmental
15 unit that is property of the receivership estate.

16 “(g) FEDERAL COURT OPTION.—Notwithstanding
17 subsection (a), if the appropriate governmental unit ob-
18 jects to state court jurisdiction over any determination
19 under this section, the matter may be transferred to, re-
20 moved to, or otherwise heard by the United States District
21 Court for the district in which the receivership is pend-
22 ing”.

23 (b) CLERICAL AMENDMENT.—The table of sections
24 for subchapter B of chapter 70 of the Internal Revenue

1 Code of 1986 is amended by adding at the end the fol-
 2 lowing item:

“Sec. 6874. Determination of tax liability by courts.”.

3 (c) CONFORMING AMENDMENTS.—

4 (1) Section 2201(a) of title 28, United States
 5 Code, is amended by inserting “, a proceeding under
 6 section 6874 of such Code” after “the Internal Rev-
 7 enue Code of 1986”.

8 (2) Section 3713(a)(2) of title 31, United
 9 States Code, is amended by inserting “, or to any
 10 receivership case or proceeding or any receivership
 11 estate governed by section 6874 of the Internal Rev-
 12 enue Code of 1986” after “title 11”.

13 (3) Section 3713(b) of title 31, United States
 14 Code, is amended—

15 (A) by striking “(except a trustee acting
 16 under title 11)”,

17 (B) by striking “(b)” and inserting
 18 “(b)(1)”, and

19 (C) by adding at the end the following new
 20 paragraph:

21 “(2) Paragraph (1) shall not apply to—

22 “(A) a trustee acting under title 11; or

23 “(B) any receiver, as defined in section
 24 6874(e)(1) of the Internal Revenue Code of 1986,

1 exercising the rights afforded to receivers by such
2 section 6874.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to returns for which the period
5 during which an assessment of tax or an amendment or
6 review or audit of the return is open as of the date of
7 the enactment of this Act, and to returns filed on or after
8 such date of enactment.

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