

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.

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## 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 determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## 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  
6 in connection with an ad valorem tax on real or  
7 personal property of the receivership estate, if the  
8 applicable period for contesting or redetermining  
9 that amount under any otherwise applicable law has  
10 expired.

11       “(c) REQUEST FOR DETERMINATION.—

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

16           “(A) designate an address for service of requests  
17 under paragraph (2), and

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  
22 an address and provide such address to the clerk under  
23 subparagraph (A), any request made under paragraph (2)  
24 may be served at the address

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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