

119TH CONGRESS
2D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to clarify the authority of
the Tax Court to order relief from a judgment or order.

IN THE SENATE OF THE UNITED STATES

Mr. SCOTT of South Carolina (for himself and Ms. HASSAN) introduced the
following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to clarify
the authority of the Tax Court to order relief from
a judgment or order.

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 “Tax Court Parity Act”.

5 **SEC. 2. CLARIFICATION OF TAX COURT AUTHORITY TO**
6 **ORDER RELIEF FROM A JUDGMENT OR**
7 **ORDER.**

8 Section 7481 of the Internal Revenue Code of 1986
9 is amended—

1 (1) by striking “and (d),” in subsection (a) and
2 inserting “(d), and (e),”; and

3 (2) by adding at the end the following new sub-
4 section:

5 “(e) RELIEF FROM A JUDGMENT OR ORDER.—

6 “(1) CORRECTIONS BASED ON CLERICAL MIS-
7 TAKES; OVERSIGHTS AND OMISSIONS.—

8 “(A) IN GENERAL.—The Tax Court may
9 correct a clerical mistake, or a mistake arising
10 from oversight or omission, whenever one is
11 found in a judgment, order, or other part of the
12 record. The Tax Court may do so on motion or
13 on its own, with or without notice.

14 “(B) APPELLATE COURT LEAVE REQUIRED
15 ON APPEAL.—After an appeal has been dock-
16 eted in the appellate court, and while such ap-
17 peal is pending, any such mistake may be cor-
18 rected only with the appellate court’s leave.

19 “(2) GROUNDS FOR RELIEF FROM A FINAL
20 JUDGMENT OR ORDER.—On motion and just terms,
21 the Tax Court may relieve a party or its legal rep-
22 resentative from a final judgment or order for any
23 of the following reasons:

24 “(A) Mistake, inadvertence, surprise, or
25 excusable neglect.

1 “(B) Newly discovered evidence that, with
2 reasonable diligence, could not have been dis-
3 covered in time to move for a new trial under
4 rules prescribed by the Court and that would
5 have a reasonable likelihood of changing the
6 outcome.

7 “(C) Fraud (whether previously called in-
8 trinsic or extrinsic), misrepresentation, or mis-
9 conduct by an opposing party.

10 “(D) The judgment is void.

11 “(E) Any other circumstance where justice
12 so requires.

13 “(3) TIMING AND EFFECT OF THE MOTION.—

14 “(A) TIMING.—A motion under paragraph
15 (2)—

16 “(i) must be made within a reasonable
17 time, and

18 “(ii) in the case of a reason described
19 in subparagraphs (A), (B), or (C), not
20 later than 1 year after the entry of the
21 judgment or order.

22 “(B) EFFECT ON FINALITY.—While pend-
23 ing, any such motion does not affect the judg-
24 ment’s finality or suspend its operation.

1 “(4) OTHER POWERS TO GRANT RELIEF.—This
2 subsection shall not limit the Tax Court’s power to
3 set aside a judgment for fraud on the Tax Court.

4 “(5) COURT OF APPEALS JURISDICTION.—If
5 the Tax Court provides relief from a judgment or
6 order that is otherwise final under this section, ei-
7 ther or both parties may obtain review of such relief
8 by filing a notice of appeal under this subchapter
9 within 90 days of the Court’s judgment or order di-
10 recting such relief.”.