

105TH CONGRESS
1ST SESSION

H. R. 631

To amend the Internal Revenue Code of 1986 to place the burden on the Secretary of the Treasury of proving the accuracy of determinations forming a basis for certain notices of deficiency.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 6, 1997

Mr. CANADY of Florida introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to place the burden on the Secretary of the Treasury of proving the accuracy of determinations forming a basis for certain notices of deficiency.

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. BURDEN OF PROVING ACCURACY OF DETER-**
4 **MINATIONS WITHIN A NOTICE OF DEFI-**
5 **CIENCY.**

6 (a) IN GENERAL.—Section 6212 of the Internal Rev-
7 enue Code of 1986 is amended by adding at the end the
8 following new subsection:

1 “(e) BURDEN OF PROVING ACCURACY OF CERTAIN
2 DETERMINATIONS.—

3 “(1) IN GENERAL.—In the case of a deficiency
4 to which this subsection applies, if the taxpayer—

5 “(A) petitions the Tax Court for a redeter-
6 mination of such deficiency, and

7 “(B) has fully cooperated with the Sec-
8 retary (including providing, within a reasonable
9 period, access to and inspection of all witnesses,
10 information, and documents within the control
11 of the taxpayer as reasonably requested by the
12 Secretary) with respect to such deficiency,

13 then the Secretary shall have the burden of proving
14 the accuracy of each determination forming a basis
15 for such deficiency.

16 “(2) DEFICIENCIES TO WHICH SUBSECTION AP-
17 PLIES.—This subsection applies to any deficiency of
18 tax imposed by subtitle A on an individual if the no-
19 tice of such deficiency was mailed—

20 “(A) during any extension under section
21 6501(c)(4) of the period of limitation under sec-
22 tion 6501, or

23 “(B) at any other time during such period
24 if the Tax Court determines that such notice is

1 not supported by reasonable and probative in-
2 formation concerning such deficiency.”

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) shall take effect on the date of the enact-
5 ment of this Act.

○