

119TH CONGRESS
2D SESSION

S. _____

To amend the Internal Revenue Code of 1986 to adjust the threshold for
conducting Tax Court proceedings relating to small disputes.

IN THE SENATE OF THE UNITED STATES

Mr. CORNYN (for himself and Mr. LUJÁN) 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 adjust
the threshold for conducting Tax Court proceedings re-
lating to small disputes.

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 “Small Tax Case
5 Threshold Modernization Act”.

6 **SEC. 2. ADJUSTMENT OF THRESHOLD FOR SMALL DIS-**
7 **PUTES.**

8 (a) IN GENERAL.—Section 7463 of the Internal Rev-
9 enue Code of 1986 is amended—

1 (1) by striking “\$50,000” each place it appears
2 in subsections (a) and (f) and inserting “\$100,000”,
3 and

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

6 “(g) INFLATION ADJUSTMENT.—

7 “(1) IN GENERAL.— In the case of any petition
8 or appeal filed in a calendar year beginning after
9 2026, each of the \$100,000 amounts in subsections
10 (a) and (f) shall be increased by an amount equal
11 to—

12 “(A) such dollar amount, multiplied by

13 “(B) the cost-of-living adjustment deter-
14 mined under section 1(f)(3) for the calendar
15 year, determined by substituting ‘calendar year
16 2025’ for ‘calendar year 2016’ in subparagraph
17 (A)(ii) thereof.

18 “(2) ROUNDING.—If any increase determined
19 under paragraph (1) is not a multiple of \$1,000,
20 such increase shall be rounded to the next lowest
21 multiple of \$1,000.”.

22 (b) CONFORMING AMENDMENTS.—

23 (1) The heading for section 7463 of such Code
24 is amended by striking “**DISPUTES INVOLVING**

1 **\$50,000 OR LESS**” and inserting “**SMALL DIS-**
2 **PUTES**”.

3 (2) The item relating to section 7463 in the
4 table of section for part II of subchapter C of chap-
5 ter 76 of such Code is amended by striking “Dis-
6 putes involving \$50,000 or less” and inserting
7 “Small disputes”.

8 (c) **EFFECTIVE DATE.**—The amendments made by
9 this section shall apply to proceedings commencing after
10 the date of the enactment of this Act.