

**DESCRIPTION OF H.R. 5446,
A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1986 TO
RESTRICT THE IMMEDIATE SALE OF SEIZED PROPERTY BY
SECRETARY OF THE TREASURY TO PERISHABLE GOODS**

Scheduled for Markup
by the
HOUSE COMMITTEE ON WAYS AND MEANS
on April 11, 2018

Prepared by the Staff
of the
JOINT COMMITTEE ON TAXATION



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INTRODUCTION

The House Committee on Ways and Means has scheduled a committee markup of H.R. 5446, a bill to amend the Internal Revenue Code of 1986 to restrict the immediate sale of seized property by Secretary of the Treasury to perishable goods. This document,¹ prepared by the staff of the Joint Committee on Taxation, provides a description of the bill.

¹ This document may be cited as follows: Joint Committee on Taxation, *Description of H.R. 5446, A Bill to Amend the Internal Revenue Code of 1986 to Restrict the Immediate Sale of Seized Property by Secretary of the Treasury to Perishable Goods* (JCX-21-18), April 10, 2018. This document can also be found on the Joint Committee on Taxation website at www.jct.gov. All section references herein are to the Internal Revenue Code of 1986, as amended (herein “Code”), unless otherwise stated.

A. Rules for Seizure and Sale of Perishable Goods Restricted to Only Perishable Goods

Present Law

Under the Code, if it is determined that any tangible property seized to satisfy unpaid taxes (1) is liable to perish, (2) is liable to become greatly reduced in price or value by keeping, or (3) cannot be kept without great expense, the property may be sold after it has been appraised and the owner has been given an opportunity to pay the appraised value or furnish bond for payment.² The general procedures governing the sale of seized property that are set forth in the Code (e.g., requiring ten-day notice before sale and the determination of a minimum bid) are not applicable to sales of perishables.³ Instead, the streamlined procedures referred to above apply to the sale of perishable goods.⁴

Description of Proposal

The proposal limits the property that may be sold pursuant to the streamlined procedures to property that is liable to perish.

Effective Date

The proposal applies to property seized after the date of enactment.

² Sec. 6336.

³ Sec. 6335.

⁴ Sec. 6336; Treas. reg. sec. 6336.

B. Estimated Revenue Effect of the Proposal

The proposal is estimated to have a negligible effect on Federal fiscal year budget receipts for the period 2018-2028.