

119TH CONGRESS
2D SESSION

H. R. 8632

To amend the Internal Revenue Code of 1986 to impose an excise tax on the sale of perfluoroalkyl or polyfluoroalkyl substances, to establish a credit for expenditures paid or incurred for the removal of such substances from public water systems, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 30, 2026

Ms. SÁNCHEZ 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 impose an excise tax on the sale of perfluoroalkyl or polyfluoroalkyl substances, to establish a credit for expenditures paid or incurred for the removal of such substances from public water systems, and for other purposes.

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 “PFAS Cleanup Act”.

5 **SEC. 2. CONGRESSIONAL FINDINGS.**

6 The Congress finds the following:

1 (1) PFAS pollution results in significant health
 2 harms and social costs, including—

3 (A) an estimated annual cost as high as
 4 \$60,000,000,000 with respect to the impact of
 5 such pollution on health, and

6 (B) an estimated cost of between
 7 \$7,000,000 and \$30,000,000 per pound of such
 8 pollution with respect to its removal from drink-
 9 ing water.

10 (2) Raising revenues to partially address the
 11 significant costs resulting from PFAS pollution
 12 would complement other avenues for addressing such
 13 costs, including regulatory efforts by States and
 14 communities to hold PFAS polluters accountable.

15 **SEC. 3. PFAS EXCISE TAX IMPOSED.**

16 (a) IN GENERAL.—Chapter 38 of the Internal Rev-
 17 enue Code of 1986 is amended by adding at the end the
 18 following new subchapter:

19 **“Subchapter E—Tax on Perfluoroalkyl and**
 20 **Polyfluoroalkyl Substances**

“Sec. 4691. Imposition of tax.

“Sec. 4692. Definitions and special rules.

21 **“SEC. 4691. IMPOSITION OF TAX.**

22 “(a) GENERAL RULE.—There is hereby imposed a
 23 tax on any perfluoroalkyl or polyfluoroalkyl substance sold
 24 by the manufacturer, producer, or importer thereof.

1 “(b) AMOUNT OF TAX.—The amount of tax imposed
2 by subsection (a) shall be equal to 45 percent of the price
3 for which the perfluoroalkyl or polyfluoroalkyl substance
4 is sold.

5 **“SEC. 4692. DEFINITIONS AND SPECIAL RULES.**

6 “(a) DEFINITIONS.—For purposes of this sub-
7 chapter—

8 “(1) PERFLUOROALKYL OR POLYFLUOROALKYL
9 SUBSTANCE.—The term ‘perfluoroalkyl or
10 polyfluoroalkyl substance’ means any man-made
11 chemical—

12 “(A) with at least one fully fluorinated car-
13 bon atom, and

14 “(B) which is manufactured or produced in
15 the United States or entered into the United
16 States for consumption, use, or warehousing.

17 “(2) UNITED STATES.—The term ‘United
18 States’ has the meaning given such term by section
19 4612(a)(4).

20 “(3) IMPORTER.—The term ‘importer’ means
21 the person entering the perfluoroalkyl or
22 polyfluoroalkyl substance for consumption, use, or
23 warehousing.

24 “(b) USE TREATED AS SALE.—If any person manu-
25 factures, produces, or imports any perfluoroalkyl or

1 polyfluoroalkyl substance and uses such substance, then
 2 such person shall be liable for tax under section 4691 in
 3 the same manner as if such substance were sold by such
 4 person (at a price equal to the fair market value of such
 5 substance).

6 “(c) DISPOSITION OF REVENUES FROM PUERTO
 7 RICO AND THE VIRGIN ISLANDS.—The provisions of sub-
 8 sections (a)(3) and (b)(3) of section 7652 shall not apply
 9 to any tax imposed by section 4691.

10 “(d) REGULATIONS.—The Secretary, in consultation
 11 with the Administrator of the Environmental Protection
 12 Agency, shall prescribe such regulations or other guidance
 13 as may be necessary or appropriate to carry out the pur-
 14 poses of this subchapter.”.

15 (b) CLERICAL AMENDMENT.—The table of sub-
 16 chapters for chapter 38 of such Code is amended by add-
 17 ing after the item relating to subchapter D the following
 18 new item:

“Subchapter E. Tax on perfluoroalkyl and polyfluoroalkyl substances.”.

19 (c) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply with respect to taxable years begin-
 21 ning after December 31, 2026.

22 **SEC. 4. PFAS WATER REMEDIATION CREDIT ESTABLISHED.**

23 (a) IN GENERAL.—Subpart D of part IV of sub-
 24 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45BB. PFAS WATER REMEDIATION CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
5 tion 38, the PFAS water remediation credit for any tax-
6 able year is an amount equal to 25 percent of the qualified
7 PFAS water remediation expenditures paid or incurred by
8 the taxpayer during the taxable year.

9 “(b) QUALIFIED PFAS WATER REMEDIATION EX-
10 PENDITURES.—For purposes of this section—

11 “(1) IN GENERAL.—The term ‘qualified PFAS
12 water remediation expenditures’ means, with respect
13 to any public water system owned or operated by the
14 taxpayer, any expenditures paid or incurred by such
15 taxpayer for the removal of any perfluoroalkyl or
16 polyfluoroalkyl substance the presence of which with-
17 in such public water system is hazardously excessive.

18 “(2) HAZARDOUSLY EXCESSIVE.—For purposes
19 of paragraph (1), the presence of any perfluoroalkyl
20 or polyfluoroalkyl substance within a public water
21 system shall be treated as hazardously excessive if
22 the taxpayer establishes to the satisfaction of the
23 Secretary that the presence of such substance is in
24 excess of the maximum contaminant level (as de-
25 fined in section 1401(3) of the Safe Drinking Water

1 Act) promulgated by the Administrator of the Envi-
2 ronmental Protection Agency for such substance
3 pursuant to section 1412 of the Safe Drinking
4 Water Act.

5 “(3) PUBLIC WATER SYSTEM.—The term ‘pub-
6 lic water system’ has the meaning given such term
7 by section 1401(4) of the Safe Drinking Water Act.
8 Such term shall include any surface water system or
9 ground water system.

10 “(4) PERFLUOROALKYL OR POLYFLUOROALKYL
11 SUBSTANCE.—The term ‘perfluoroalkyl or
12 polyfluoroalkyl substance’ means any man-made
13 chemical with at least one fully fluorinated carbon
14 atom.

15 “(c) CONTROLLED GROUPS.—Rules similar to the
16 rules of paragraph (1) of section 41(f) shall apply for pur-
17 poses of this section.

18 “(d) REGULATIONS.—The Secretary, in consultation
19 with the Administrator of the Environmental Protection
20 Agency, shall prescribe such regulations or other guidance
21 as may be necessary or appropriate to carry out the pur-
22 poses of this section.”.

23 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
24 NESS CREDIT.—Section 38(b) of such Code is amended
25 by striking “plus” at the end of paragraph (40), by strik-

1 ing the period at the end of paragraph (41) and inserting
2 “, plus”, and by adding at the end the following new para-
3 graph:

4 “(42) the PFAS water remediation credit deter-
5 mined under section 45BB(a).”.

6 (c) ELECTIVE PAYMENT OF CREDIT.—Section
7 6417(b) of such Code is amended by redesignating para-
8 graphs (10) through (12) as paragraphs (11) through
9 (13), respectively, and by inserting after paragraph (9) the
10 following new paragraph:

11 “(10) The PFAS water remediation credit de-
12 termined under section 45BB(a).”.

13 (d) CLERICAL AMENDMENT.—The table of sections
14 for subpart D of part IV of subchapter A of chapter 1
15 of such Code is amended by adding after the item relating
16 to section 45AA the following new item:

“Sec. 45BB. PFAS water remediation credit.”.

17 (e) EFFECTIVE DATE.—The amendments made by
18 this section shall apply with respect to taxable years begin-
19 ning after December 31, 2026.

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