IB

Union Calendar No. 697

119TH CONGRESS
2D SESSION

H. R. 9496

[Report No. 119–797]

To amend the Internal Revenue Code of 1986 to postpone tax deadlines and reimburse paid late fees for United States nationals who are unlawfully or wrongfully detained or held hostage abroad, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 29, 2026

Ms. TENNEY (for herself, Ms. TITUS, and Mr. BEYER) introduced the following bill; which was referred to the Committee on Ways and Means

SEPTEMBER 8, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on June 29, 2026]

A BILL

To amend the Internal Revenue Code of 1986 to postpone tax deadlines and reimburse paid late fees for United States nationals who are unlawfully or wrongfully detained or held hostage abroad, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "End Tax Penalties on American Hostages Act".

SEC. 2. POSTPONEMENT OF TAX DEADLINES FOR HOSTAGES AND INDIVIDUALS WRONGFULLY DETAINED ABROAD.

(a) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 is amended by inserting after section 7510 the following new section:

"SEC. 7511. TIME FOR PERFORMING CERTAIN ACTS POSTPONED FOR HOSTAGES AND INDIVIDUALS WRONGFULLY DETAINED ABROAD.

"(a) TIME TO BE DISREGARDED.—

"(1) IN GENERAL.—The period during which an applicable individual was unlawfully or wrongfully detained abroad, or held hostage abroad, shall be disregarded in determining, under the internal revenue laws, in respect of any tax liability of such individual—

"(A) whether any of the acts described in section 7508(a)(1) were performed within the time prescribed thereof (determined without regard to extension under any other provision of

this subtitle for periods after the initial date (as determined by the Secretary) on which such individual was unlawfully or wrongfully detained abroad or held hostage abroad),

"(B) the amount of any interest, penalty, additional amount, or addition to the tax for periods after such date, and

"(C) the amount of any credit or refund.

"(2) APPLICATION TO SPOUSE.—The provisions of paragraph (1) shall apply to the spouse of any individual entitled to the benefits of such paragraph.

"(b) APPLICABLE INDIVIDUAL.—

"(1) IN GENERAL.—For purposes of this section, the term 'applicable individual' means any individual who is—

"(A) a United States national unlawfully or wrongfully detained abroad, as determined under section 302 of the Robert Levinson Hostage Recovery and Hostage-Taking Accountability Act (22 U.S.C. 1741), or

"(B) a United States national taken hostage abroad, as determined pursuant to the findings of the Hostage Recovery Fusion Cell (as described in section 304 of the Robert Levinson

Hostage Recovery and Hostage-Taking Accountability Act (22 U.S.C. 1741b)).

"(2) INFORMATION PROVIDED TO TREASURY.—For purposes of identifying individuals described in paragraph (1), not later than January 1, 2027, and annually thereafter—

"(A) the Secretary of State shall provide the Secretary with a list of the individuals described in paragraph (1)(A), as well as any other information necessary to identify such individuals, and

"(B) the Attorney General, acting through the Hostage Recovery Fusion Cell, shall provide the Secretary with a list of the individuals described in paragraph (1)(B), as well as any other information necessary to identify such individuals.

"(c) SPECIAL RULE FOR OVERPAYMENTS.—

"(1) IN GENERAL.—Subsection (a) shall not apply for purposes of determining the amount of interest on any overpayment of tax.

"(2) SPECIAL RULES.—If an individual is entitled to the benefits of subsection (a) with respect to any return and such return is timely filed (deter-

mined after the application of such subsection), subsections (b)(3) and (e) of section 6611 shall not apply.

“(d) MODIFICATION OF TREASURY DATABASES AND INFORMATION SYSTEMS.—The Secretary shall ensure that databases and information systems of the Department of the Treasury are updated as necessary to ensure that statute expiration dates, interest and penalty accrual, and collection activities are suspended consistent with the application of subsection (a).

“(e) REFUND AND ABATEMENT OF PENALTIES AND FINES IMPOSED PRIOR TO IDENTIFICATION AS APPLICABLE INDIVIDUAL.—In the case of any applicable individual—

“(1) for whom any interest, penalty, additional amount, or addition to the tax in respect to any tax liability for any taxable year ending during the period described in subsection (a)(1) was assessed or collected, and

“(2) who was, subsequent to such assessment or collection, determined to be an individual described in subparagraph (A) or (B) of subsection (b)(1),

the Secretary shall abate any such assessment and refund any amount collected to such applicable individual in the same manner as any refund of an overpayment of tax under section 6402.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter 77 of such Code is amended by inserting after the item relating to section 7510 the following new item:

"Sec. 7511. Time for performing certain acts postponed for hostages and individuals wrongfully detained abroad.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SEC. 3. REFUND AND ABATEMENT OF PENALTIES AND FINES PAID BY ELIGIBLE INDIVIDUALS.

(a) IN GENERAL.—Section 7511 of the Internal Revenue Code of 1986, as added by section 2, is amended by adding at the end the following new subsection:

"(f) REFUND AND ABATEMENT OF PENALTIES AND FINES PAID BY ELIGIBLE INDIVIDUALS WITH RESPECT TO PERIODS PRIOR TO DATE OF ENACTMENT OF THIS SECTION.—

"(1) IN GENERAL.—

"(A) ESTABLISHMENT.—Not later than January 1, 2027, the Secretary (in consultation with the Secretary of State and the Attorney General) shall establish a program to allow any eligible individual (or the spouse or any dependent (as defined in section 152) of such individual) to apply for a refund or an abatement of any amount described in paragraph (2) (in-

cluding interest) to the extent such amount was attributable to the applicable period.

"(B) IDENTIFICATION OF INDIVIDUALS.—Not later than January 1, 2027, the Secretary of State and the Attorney General, acting through the Hostage Recovery Fusion Cell (as described in section 304 of the Robert Levinson Hostage Recovery and Hostage-Taking Accountability Act (22 U.S.C. 1741b)), shall—

"(i) compile a list, based on such information as is available, of individuals who were eligible individuals during the applicable period, and

"(ii) provide the list described in clause (i) to the Secretary.

"(C) NOTICE.—For purposes of carrying out the program described in subparagraph (A), the Secretary (in consultation with the Secretary of State and the Attorney General) shall, with respect to any individual identified under subparagraph (B), provide notice to such individual—

"(i) in the case of an individual who has been released on or before the date of the enactment of this subsection, not later than

90 days after the date of the enactment of this subsection, or

“(ii) in the case of an individual who is released after the date of the enactment of this subsection, not later than 90 days after the date on which such individual is released,

that such individual may be eligible for a refund or an abatement of any amount described in paragraph (2) pursuant to the program described in subparagraph (A).

“(D) AUTHORIZATION.—

“(i) IN GENERAL.—Subject to clause (ii), in the case of any refund described in subparagraph (A), the Secretary shall issue such refund to the eligible individual in the same manner as any refund of an overpayment of tax.

“(ii) EXTENSION OF LIMITATION ON TIME FOR REFUND.—With respect to any refund under subparagraph (A)—

“(I) the 3-year period of limitation prescribed by section 6511(a) shall be extended until the end of the 1-year period beginning on the date that the

notice described in subparagraph (C) is provided to the eligible individual, and

"(II) any limitation under section 6511(b)(2) shall not apply.

"(2) ELIGIBLE INDIVIDUAL.—For purposes of this subsection, the term 'eligible individual' means any applicable individual who, for any taxable year ending during the applicable period, paid or incurred any interest, penalty, additional amount, or addition to the tax in respect to any tax liability for such year of such individual based on a determination that an act described in section 7508(a)(1) was not performed by the time prescribed therefor (without regard to any extensions).

"(3) APPLICABLE PERIOD.—For purposes of this subsection, the term 'applicable period' means the period—

"(A) beginning on January 1, 2021, and

"(B) ending on the date of the enactment of this subsection.".

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending on or before the date of the enactment of this Act.

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