

119TH CONGRESS
2D SESSION

H. R. 9750

To amend the Internal Revenue Code of 1986 to establish a cap on income taxes on certain pensions.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2026

Mr. LAWLER 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 establish a cap on income taxes on certain pensions.

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 “Public Service Retire-
5 ment Tax Relief Act of 2026”.

6 **SEC. 2. CAP ON INCOME TAXES ON CERTAIN PENSIONS.**

7 (a) IN GENERAL.—Section 1 of the Internal Revenue
8 Code of 1986 is amended by adding at the end the fol-
9 lowing new subsection:

1 “(k) SPECIAL RULE FOR INDIVIDUALS RECEIVING
2 CERTAIN PENSIONS.—

3 “(1) IN GENERAL.—The amount of tax imposed
4 under this chapter may not exceed the sum of—

5 “(A) the non-pension tax amount, plus

6 “(B) \$10,000 (\$20,000 in the case of a
7 qualified joint return).

8 “(2) NON-PENSION TAX AMOUNT.—For pur-
9 poses of this subsection, the term ‘non-pension tax
10 amount’ means the amount of tax imposed under
11 this chapter, determined without regard to income
12 received from a pension provided by a State or local
13 government.

14 “(3) QUALIFIED JOINT RETURN.—For purposes
15 of this subsection, the term ‘qualified joint return’
16 means a return of tax filed jointly by spouses who
17 each receive income from a pension provided by a
18 State or local government.”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to taxable years beginning after
21 December 31, 2025.

○