

119TH CONGRESS  
2D SESSION

# S. 4221

To amend the Internal Revenue Code of 1986 to repeal the modification of the definition of adjusted taxable income for purposes of the limitation on business interest.

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## IN THE SENATE OF THE UNITED STATES

MARCH 26, 2026

Mrs. CAPITO (for herself, Mr. CORNYN, Mrs. BLACKBURN, and Mr. HUSTED) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to repeal the modification of the definition of adjusted taxable income for purposes of the limitation on business interest.

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 “Ensuring Better Inter-  
5 est Treatment and Deductibility Act (EBITDA)”.

1 **SEC. 2. REPEAL OF MODIFICATION TO DEFINITION OF AD-**  
2 **JUSTED TAXABLE INCOME FOR PURPOSES OF**  
3 **THE LIMITATION ON BUSINESS INTEREST.**

4 (a) IN GENERAL.—Section 163(j)(8)(A) of the Inter-  
5 nal Revenue Code of 1986, as amended by Public Law  
6 119–21, is amended by inserting “and” at the end of  
7 clause (iv) and by striking clause (vi).

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

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