II

119TH CONGRESS
2D SESSION

S. 4796

To amend the Internal Revenue Code of 1986 to increase the rate of the excise tax on the repurchase of corporate stock, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 16, 2026

Mr. SCHUMER (for himself, Mr. WYDEN, Ms. WARREN, Mr. REED, Mr. VAN HOLLEN, Mr. MARKEY, and Mr. WHITEHOUSE) 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 increase the rate of the excise tax on the repurchase of corporate stock, 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 ''Stock Buyback Accountability Act of 2026''.

SEC. 2. MODIFICATIONS TO TAX ON REPURCHASE OF CORPORATE STOCK.

(a) INCREASE IN RATE OF TAX.—Section 4501(a) of the Internal Revenue Code of 1986 is amended by striking ''1 percent'' and inserting ''4 percent''.

(b) MODIFICATION OF ADJUSTMENTS.—Section 4501(c)(3) of the Internal Revenue Code of 1986 is amended—

(1) by striking ''The amount'' and inserting the following:

''(A) IN GENERAL.—The amount'', and

(2) by adding at the end the following new subparagraph:

''(B) EXCEPTION FOR STOCK ISSUED TO CERTAIN PERSONS.—Subparagraph (A) shall not apply to so much of the fair market value of any stock issued or provided to—

''(i) an employee who is a covered employee (within the meaning of section 162(m)(3)) or a specified covered employee (within the meaning of section 162(m)(7)(C)), or

''(ii) a person (other than an employee described in clause (i)) who receives remuneration (within the meaning of section 162(m)(4)) during any taxable year of the covered corporation beginning after December 31, 2025, in excess of $1,000,000 for services performed by such person for such covered corporation or any specified affiliate of such covered corporation.''.

(c) EFFECTIVE DATE.—

(1) RATE.—

(A) IN GENERAL.—The amendment made by subsection (a) section shall apply to repurchases (within the meaning of section 4501(c) of the Internal Revenue Code of 1986) of stock after the date of the enactment of this Act.

(B) SPECIAL RULE.—For purposes of applying section 4501(c)(3) of the Internal Revenue Code to any taxable year which includes the date of the enactment of this Act, the amount of the reduction determined under such section for such taxable year shall be applied—

(i) by reducing stock repurchased on or before such date of enactment in the amount which bears the same ratio to the total amount of the reduction so determined for such taxable year as—

(I) the number of days in the taxable year on or before such date of enactment, bears to

(II) the total number of days in such taxable year, and

(ii) by reducing stock repurchased after such date of the enactment by the excess (if any) of the total amount of the reduction so determined for such taxable year over the amount of the reduction determined under clause (i).

(2) ADJUSTMENTS.—The amendments made by subsection (b) shall apply to stock issued or provided in taxable years ending more than 90 days after the date of the enactment of this Act.

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