

119TH CONGRESS
2D SESSION

S. 5142

To amend the Internal Revenue Code of 1986 to improve the process for providing refunds to taxpayers.

IN THE SENATE OF THE UNITED STATES

JULY 28, 2026

Mr. BENNET (for himself and Mr. CASSIDY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to improve
the process for providing refunds to taxpayers.

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. AUTOMATION OF REFUND OFFSET BYPASS.**

4 (a) IN GENERAL.—Section 6402(a) of the Internal
5 Revenue Code of 1986 is amended—

6 (1) by striking “In the case” and inserting the
7 following:

8 “(1) **AUTHORITY.**—Except as provided in para-
9 graph (2), in the case”, and

1 (2) by adding at the end the following new
2 paragraphs:

3 “(2) SPECIAL RULE FOR CERTAIN INDIVID-
4 UALS.—In the case of an overpayment with respect
5 to any taxable year for which a credit is allowed to
6 an applicable taxpayer under section 32, the Sec-
7 retary shall, subject to subsections (c), (d), (e), and
8 (f), refund such overpayment in an amount not to
9 exceed the amount of the credit allowed under such
10 section for such taxable year.

11 “(3) APPLICABLE TAXPAYER.—For purposes of
12 paragraph (2), the term ‘applicable taxpayer’ means
13 a taxpayer who was classified by the Secretary as
14 currently not collectible (within the meaning of sec-
15 tion 6343(e)) prior to the date on which the refund
16 was requested by the taxpayer.”.

17 (b) EFFECTIVE DATE.—The amendments made by
18 this section shall apply to offsets made after the date
19 which is 12 months after the date of enactment of this
20 Act.

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