

PROTECTING PRIVACY IN PURCHASES ACT

FEBRUARY 25, 2026.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HILL of Arkansas, from the Committee on Financial Services,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 1181]

The Committee on Financial Services, to whom was referred the bill (H.R. 1181) to prohibit payment card networks and covered entities from requiring the use of or assigning merchant category codes that distinguish a firearms retailer from general-merchandise retailer or sporting-goods retailer, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

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The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Protecting Privacy in Purchases Act”.

SEC. 2. DISTINGUISHING FIREARM RETAILERS PROHIBITED.

(a) PROHIBITIONS RELATING TO MERCHANT CATEGORY CODES.—

(1) FOR PAYMENT CARD NETWORKS.—A payment card network may not require—

(A) a firearms retailer to use a merchant category code that—

(i) is used only or primarily for firearms retailers; or

(ii) identifies such retailer as engaged in the business of selling firearms, ammunition, accessories of firearms, or components of firearms;

or

(B) a covered entity to assign a merchant category code that is used only or primarily for firearms retailers or that identifies a firearms retailer as engaged in the business of selling firearms.

(2) FOR COVERED ENTITIES.—A covered entity may not assign to a firearms retailer any merchant category code that is used only or primarily for firearms retailers or that identifies such retailer as engaged in the business of selling firearms, ammunition, accessories of firearms, or components of firearms.

(b) ENFORCEMENT.—

(1) IN GENERAL.—The Attorney General shall enforce this section and shall, not later than 90 days after the date of the enactment of this section, establish a process for individuals, including firearms retailers, to submit complaints relating to alleged violations of this section.

(2) INVESTIGATION.—The Attorney General shall investigate any complaint received through the processes established by the Attorney General under paragraph (1).

(3) WRITTEN NOTICE.—If the Attorney General determines, after conducting an investigation under paragraph (2), that a payment card network or covered entity has violated this section, the Attorney General shall send a written notice of such violation to such payment card network or covered entity that requires the payment card network or covered entity to remedy the violation not later than 30 days after the date on which the payment card network or covered entity receives such notice.

(4) INJUNCTION.—

(A) IN GENERAL.—If a payment card network or covered entity does not remedy a violation within 30 days of receiving a written notice under paragraph (3), the Attorney General may bring an action in Federal court to enjoin the violating behavior.

(B) NO PRIVATE RIGHT OF ACTION.—This Act does not create a private right of action.

(c) PREEMPTION.—

(1) IN GENERAL.—Any law of a State or local government regulating the assignment, use, or disclosure of merchant category codes that are used only or primarily for firearms retailers or that identifies a retailer as engaged in the business of selling firearms, ammunition, accessories of firearms, or components of firearms is hereby preempted.

(2) LIMITATION.—Notwithstanding paragraph (1), nothing in this Act may be construed to prevent a payment card network or a covered entity from complying with any Federal, State, or local law or regulations related to dispute processing, fraud, compliance management, or protecting transaction integrity from concerns related to illegal or suspicious activities, data breaches, or cyber risks.

(d) REPORT.—The Attorney General shall, each year, submit a report to the Congress that—

(1) identifies the number of investigations undertaken by the Attorney General under subsection (b);

(2) includes a summary of such investigations and their disposition; and

(3) provides any available data and analysis that relates to the effectiveness of this Act.

(e) DEFINITIONS.—In this Act:

(1) AMMUNITION.—The term “ammunition” has the meaning given the term in section 921(a)(17)(A) of title 18, United States Code.

(2) COVERED ENTITY.—The term “covered entity” means any entity that—

(A) has on the date of the enactment of this section, or establishes after the date of the enactment of this section, a relationship with a merchant for the purposes of processing credit, debit, or prepaid transactions; or

(B) has on the date of the enactment of this section, or establishes after the date of the enactment of this section, a relationship with an entity that establishes a relationship with a merchant for the purposes of processing credit transactions, debit transactions, or prepaid transactions.

(3) FIREARM.—The term “firearm” means—

(A) a “firearm” as such term is defined in section 921(a)(3) of title 18, United States Code;

(B) a “shotgun” as such term is defined in section 921(a)(5) of title 18, United States Code;

(C) a “rifle” as such term is defined in section 921(a)(7) of title 18, United States Code;

(D) an “antique firearm” as such term is defined in section 921(a)(16) of title 18, United States Code;

(E) a “semiautomatic rifle” as such term is defined in section 921(a)(29) of title 18, United States Code; and

(F) a “handgun” as such term is defined in section 921(a)(30) of title 18, United States Code.

(4) FIREARMS RETAILER.—The term “firearms retailer” means a person, entity, or retail location physically located in the United States that is engaged in the business of selling or trading—

(A) firearms;

(B) ammunition;

(C) accessories of firearms; or

(D) components of firearms.

(5) MERCHANT CATEGORY CODE.—The term “merchant category code” means a multi-digit code, issued by the International Organization for Standardization, for the purposes of enabling the classification of merchants into specific categories based on the type of business, trade, or services supplied.

(6) PAYMENT CARD NETWORK.—The term “payment card network” means an entity that directly or through a network participant, processor, or agent provides proprietary services, infrastructure, software, or hardware used to authorize, clear and settle credit, debit, or prepaid transactions.

PURPOSE AND SUMMARY

H.R. 1181, the *Protecting Privacy in Purchases Act*, was introduced on February 11, 2025, by Republican Representative Riley Moore (WV–02). This bill prohibits payment card networks from requiring the use of or assigning Merchant Category Codes (MCCs) that distinguish a firearms retailer from general merchandise or sporting-goods retailers.

BACKGROUND AND NEED FOR LEGISLATION

As evidenced in Operation Choke Point under President Obama and Operation Choke Point 2.0 under President Biden, law-abiding Americans have been victims of government encroachment on their financial privacy. Federal banking agencies have increasingly pressured financial institutions and payment processors to monitor or restrict lawful transactions based on political or reputational considerations. This coordination between regulators and private firms has raised legitimate concerns about the weaponization of the financial system against constitutionally protected behavior.

H.R. 1181 establishes critical guardrails to ensure that Federal banking agencies do not coerce financial institutions or payment processors into surveilling, flagging, or debanking law-abiding customers.

COMMITTEE CONSIDERATION

119TH CONGRESS

On February 11, 2025, Representative Moore (WV) introduced H.R. 1181, the *Protecting Privacy in Purchases Act*, with Representatives Andy Barr (R-KY), Richard Hudson (R-NC), Aaron Bean (R-FL), Ben Cline (R-VA), Scott Perry (R-PA), Beth Van Duyne (R-TX), Brett Guthrie (R-KY), Mike Collins (R-GA), Brad Finstad (R-MN), Barry Moore (R-AL), Daniel Webster (R-FL), Michael Guest (R-MS), Michael Rulli (R-OH), Roger Williams (R-TX), Clay Higgins (R-LA), Mike Bost (R-IL), Claudia Tenney (R-NY), Derek Schmidt (R-KS), Tim Moore (R-NC), Dan Newhouse (R-WA), James Comer (R-KY), Steve Womack (R-AR), John Rose (R-TN), Rudy Yakym (R-IN), Brandon Gill (R-TX), and John Rutherford (R-FL) as original cosponsors. Representatives Lauren Boebert (R-CO), Mark Messmer (R-IN), Addison McDowell (R-NC), Andy Biggs (R-AZ), Darrell Issa (R-CA), Mark Green (R-TN), Jack Bergman (R-MI), Jodey Arrington (R-TX), Bill Huizenga (R-MI), Mike Kennedy (R-UT), Monica De La Cruz (R-TX), Joe Wilson (R-SC), Scott DesJarlais (R-TN), Andrew Clyde (R-GA), Nick LaLota (R-NY), Sam Graves (R-MO), Mike Rogers (R-AL), Lance Gooden (R-TX), David Kustoff (R-TN), Diana Harshbarger (R-TN), Nick Langworthy (R-NY), Mark Amodei (R-NV), Greg Murphy (R-NC), John Moolenaar (R-MI), Buddy Carter (R-GA), Austin Scott (R-GA), Derrick Van Orden (R-WI), Glenn Grothman (R-WI), David Valadao (R-CA), Bob Latta (R-OH), Randy Weber (R-TX), Troy Nehls (R-TX), Ashley Hinson (R-IA), Tim Walberg (R-MI), Doug LaMalfa (R-CA), David Rouzer (R-NC), Pete Sessions (R-TX), Andy Harris (R-MD), Ann Wagner (R-MO), Gus Bilirakis (R-FL), Pete Stauber (R-MN), Scott Franklin (R-FL), Tracey Mann (R-KS), Chuck Edwards (R-NC), Blake Moore (R-UT), Julia Letlow (R-LA), Ron Estes (R-KS), Paul Gosar (R-AZ), Dale Strong (R-AL), Jefferson Shreve (R-IN), Randy Feenstra (R-IA), Adrian Smith (R-NE), Tom Tiffany (R-WI), Chuck Fleischmann (R-TN), Michael Cloud (R-TX), Jake Ellzey (R-TX), Scott Fitzgerald (R-WI), Robert Aderholt (R-AL), Kevin Hern (R-OK), August Pfluger (R-TX), Ryan Zinke (R-MT), Brian Babin (R-TX), Mike Ezell (R-MS), Don Bacon (R-NE), Max Miller (R-OH), Pat Harrigan (R-NC), John McGuire (R-VA), Tony Gonzales (R-TX), Trent Kelly (R-MS), Guy Reschenthaler (R-PA), Dan Crenshaw (R-TX), Jeff Hurd (R-CO), Craig Goldman (R-TX), Gabe Evans (R-CO), Brian Jack (R-GA), Barry Loudermilk (R-GA), Mark Harris (R-NC), Michael Baumgartner (R-WA), Pat Fallon (R-TX), Elise Stefanik (R-NY), Jeff Van Drew (R-NJ), Mike Haridopolos (R-FL), Greg Steube (R-FL), Dan Meuser (R-PA), Mary Miller (R-IL), Lisa McClain (R-MI), William Timmons (R-SC), Wesley Hunt (R-TX), Troy Downing (R-MT), Tony Wied (R-WI), Julie Fedorchak (R-ND), Marlin Stutzman (R-IN), Abe Hamadeh (R-AZ), Laurel Lee (R-FL), Nick Begich (R-AK), Russell Fry (R-SC), Ronny Jackson (R-TX), Sheri Biggs (R-SC), Dave Taylor (R-OH), Nathaniel Moran (R-TX), Michelle Fischbach (R-MN), Jimmy Patronis (R-FL), Zack Nunn (R-IA), Warren Davidson (R-OH) and Burgess Owens (R-UT) and David Joyce (R-OH) were added subsequently as cosponsors.

The bill was referred solely to the Committee on Financial Services. H.R. 1181 was attached to the April 29, 2025, hearing titled “Regulatory Overreach: The Price Tag on American Prosperity.”

On December 16, 2025, the Committee on Financial Services met in open session to consider, among others, H.R. 1181. The Committee ordered H.R. 1181, as amended, to be reported with a favorable recommendation to the House of Representatives.

118TH CONGRESS

On February 23, 2024, Representative Stefanik introduced H.R. 7450, the *Protecting Privacy in Purchases Act*, with Representatives Barr and Hudson as original cosponsors. Representatives Miller (IL), Bean, Walberg, Kat Cammack (R-FL), Guest, Hinson, Higgins, Moolenaar, Ralph Norman (R-SC), Mike Waltz (R-FL), James Baird (R-IN), Smith (NE), Grothman, Issa, Loudermilk, Moore (AL), Victoria Spartz (R-IN), Weber, Aderholt, LaLota, Bill Posey (R-FL), Green (TN), Fischbach, DesJarlais, Nehls, Hern, Fleischmann, Hunt, Austin Scott, Fry, Reschenthaler, Bilirakis, Rogers, Franklin, Tenney, Mann, Tony Gonzales, Yakym, Rutherford, Fallon, Babin, Cloud, Jerry Carl (R-AL), Collins, LaMalfa, Matt Rosendale (R-MT), Murphy (NC), Williams (TX), Harris (MD), Andrew Ogles (R-TN), Comer, Sessions, Rouzer, Ronny Jackson, Gooden, Amodei, Edwards, Carter, Jim Banks (R-IN), McClain, Stephanie Bice (R-OK), Perry, Finstad, Huizenga, Kelly, Pfluger, Wagner, Morgan Griffith (R-VA), Jeff Duncan (R-SC), Graves, John Joyce (R-PA), Boebert, Wilson, Feenstra, Guthrie, Steube, Stauber, Cline, Arrington, Womack, Miller (OH), Dan Bishop (R-NC), Clyde, Larry Bucshon (R-IN), John Curtis (R-UT), Debbie Lesko (R-AZ), Kustoff, Biggs (AZ), Gosar, Tiffany, Letlow, Brad Wenstrup (R-OH), Neal Dunn (R-FL), Harshbarger, Langworthy, Robert Wittman (R-VA), Moore (UT), Crenshaw, Fitzgerald, Timmons, Erin Houchin (R-IN), Estes, Rose, Bergman, Dusty Johnson (R-SD), Mark Alford (R-MO), Cory Mills (R-FL), Lee, Bost, Van Dyne, De La Cruz, Zinke, Ezell, Kelly Armstrong (R-ND), Eric Burlison (R-MO), Strong, Ellzey, Newhouse, Valadao, Ken Calvert (R-CA), and Bacon were added subsequently as cosponsors. The bill was referred solely to the Committee on Financial Services.

In addition, on April 8, 2024, Senator Bill Hagerty (R-TN) introduced S.4075, the *Protecting Privacy in Purchases Act*, a related bill to H.R. 7450. The bill was referred solely to the Committee on Banking, Housing, and Urban Affairs.

There was no further legislative action on H.R. 7450 or S.4075 in the 118th Congress.

RELATED HEARINGS

Pursuant to clause 3(c)(6) of rule XIII of the Rules of the House of Representatives, the following hearing was used to develop H.R. 1181:

The Subcommittee on Financial Institutions held an April 29, 2025, hearing titled, “Regulatory Overreach: The Price Tag on American Prosperity.” The Subcommittee heard testimony from: Ms. Sarah Flowers, Senior Vice President, Senior Associate General Counsel, Bank Policy Institute; Mr. J. Michael Radcliffe, Chairman and Chief Executive Officer, Community Financial Serv-

ices Bank (Benton, KY); Mrs. Margaret E. Tahyar, Partner, Head of Financial Institutions Group, Davis Polk & Wardwell LLP; and the Honorable Graham Steele, Academic Fellow, Rock Center for Corporate Governance, Stanford Law School.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee Report to include record votes on the motion to report legislation and amendments thereto.

On December 16, 2025, the Committee ordered H.R. 1181, as amended, to be reported favorably to the House by a recorded vote of 29 yeas and 23 nays, a quorum being present. (Record Vote No. FC-218).

The Committee considered the following amendments to H.R. 1181:

- Representative Loudermilk offered an amendment in the nature of a substitute, designated MOOREWV_037, which made minor edits and technical changes. This amendment was adopted by a voice vote.
- Representative Sam Liccardo (D-CA) offered an amendment (No. 3), designated LICCAR_078. This amendment would limit the bill's exception on the assignment and use of Merchant Category Codes if use is mandated under state law. The amendment also strikes the bill's provision on federal preemption. This amendment was defeated by a recorded vote of 23 yeas and 29 nays, a quorum being present. (Record Vote No. FC-217).

Committee on Financial Services

Markup 9

Bill: H.R. 1181

December 16, 2025

Measure: ANS to H.R. 1181

Amdt/Designated: 3. LICCAR_078 [Liccardo 1]

Record Vote No.

Motion: to adopt the amendment

FC-217

Disposition:

NOT AGREED TO (23-29)

Member	Yea	Nay	Not Recorded	Member	Yea	Nay	Not Recorded
Chairman Hill		X		Ranking Member Waters	X		
Mr. Lucas		X		Ms. Velázquez	X		
Mr. Sessions		X		Mr. Sherman	X		
Mr. Huizenga		X		Mr. Meeks	X		
Mrs. Wagner		X		Mr. Scott	X		
Mr. Barr		X		Mr. Lynch	X		
Mr. Williams (TX)		X		Mr. Green (TX)	X		
Mr. Emmer		X		Mr. Cleaver	X		
Mr. Loudermilk		X		Mr. Himes	X		
Mr. Davidson		X		Mr. Foster	X		
Mr. Rose		X		Mrs. Beatty	X		
Mr. Steil		X		Mr. Vargas	X		
Mr. Timmons		X		Mr. Gottheimer	X		
Mr. Stutzman		X		Mr. Gonzalez	X		
Mr. Norman		X		Mr. Casten	X		
Mr. Meuser		X		Ms. Pressley	X		
Mrs. Kim		X		Ms. Tlaib	X		
Mr. Donalds		X		Mr. Torres (NY)	X		
Mr. Garbarino		X		Ms. Garcia (TX)			X
Mr. Fitzgerald			X	Ms. Williams of GA	X		
Mr. Flood		X		Ms. Pettersen	X		
Mr. Lawler		X		Mr. Fields	X		
Ms. De La Cruz		X		Ms. Bynum	X		
Mr. Ogles		X		Mr. Liccardo	X		
Mr. Nunn		X					
Mrs. McClain		X					
Ms. Salazar		X					
Mr. Downing		X					
Mr. Haridopolos		X					
Mr. Moore (NC)		X					
	0	29	1		23	0	1

Committee Totals:

23	29	2
Yeas	Nays	Not Voting

Committee on Financial Services

Markup 9

Bill: H.R. 1181

December 16, 2025

Measure: H.R. 1181 (as amended)

Amdt/Designated:

Record Vote No.

Motion: to report favorably

FC-218

Disposition:

AGREED TO (29-23)

Member	Yea	Nay	Not Recorded	Member	Yea	Nay	Not Recorded
Chairman Hill	X			Ranking Member Waters		X	
Mr. Lucas	X			Ms. Velázquez		X	
Mr. Sessions	X			Mr. Sherman		X	
Mr. Huizenga	X			Mr. Meeks		X	
Mrs. Wagner	X			Mr. Scott		X	
Mr. Barr	X			Mr. Lynch		X	
Mr. Williams (TX)	X			Mr. Green (TX)		X	
Mr. Emmer	X			Mr. Cleaver		X	
Mr. Loudermilk	X			Mr. Himes		X	
Mr. Davidson	X			Mr. Foster		X	
Mr. Rose	X			Mrs. Beatty		X	
Mr. Steil	X			Mr. Vargas		X	
Mr. Timmons	X			Mr. Gottheimer		X	
Mr. Stutzman	X			Mr. Gonzalez		X	
Mr. Norman	X			Mr. Casten		X	
Mr. Meuser	X			Ms. Pressley		X	
Mrs. Kim	X			Ms. Tlaib		X	
Mr. Donalds	X			Mr. Torres (NY)		X	
Mr. Garbarino	X			Ms. Garcia (TX)			X
Mr. Fitzgerald			X	Ms. Williams of GA		X	
Mr. Flood	X			Ms. Pettersen		X	
Mr. Lawler	X			Mr. Fields		X	
Ms. De La Cruz	X			Ms. Bynum		X	
Mr. Ogles	X			Mr. Liccardo		X	
Mr. Nunn	X						
Mrs. McClain	X						
Ms. Salazar	X						
Mr. Downing	X						
Mr. Haridopolos	X						
Mr. Moore (NC)	X						
29	0	1		0	23	1	

Committee Totals:

29	23	2
Yeas	Nays	Not
Voting		

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee, based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the goal of H.R. 1181 is to establish guardrails to ensure Federal banking agencies do not coerce financial institutions or payment processors into surveilling, flagging, or debanking law-abiding citizens.

COMMITTEE COST ESTIMATE

Clause 3(d)(1) of rule XIII of the Rules of the House of Representatives requires an estimate and a comparison of the costs that would be incurred in carrying out H.R. 1181. The Committee has requested but not received a cost estimate from the Director of the Congressional Budget Office. However, pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee will adopt as its own the cost estimate by the Director of the Congressional Budget Office once it has been prepared.

NEW BUDGET AUTHORITY AND CBO COST ESTIMATE

With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the *Congressional Budget Act of 1974* and with respect to requirements of clause 3(c)(3) of rule XIII of the Rules of the House of Representatives and section 402 of the *Congressional Budget Act of 1974*, the Committee will adopt as its own the cost estimate for the bill prepared by the Director of the Congressional Budget Office. However, a cost estimate was not made available to the Committee in time for the filing of this report. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

UNFUNDED MANDATES STATEMENT

The Committee has requested but not received from the Director of the Congressional Budget Office an estimate of the Federal mandates pursuant to section 423 of the *Unfunded Mandates Reform Act*. The Chairman of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee.

EARMARK STATEMENT

In compliance with clause 9 of rule XXI of the Rules of the House of Representatives, this bill, as reported, contains no congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9(e), 9(f), or 9(g) of rule XXI.

FEDERAL ADVISORY COMMITTEE ACT STATEMENT

No advisory committees within the meaning of section 5(b) of the *Federal Advisory Committee Act* were created by this legislation.

APPLICABILITY TO THE LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the *Congressional Accountability Act*.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes a program of the Federal Government known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of the Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides the short title is the “*Protecting Privacy in Purchases Act*”.

Section 2. Distinguishing firearm retailers prohibited

Section 2 prohibits a payment card network from requiring a firearms retailer to use a merchant category code that is used only or primarily for firearms retailers, or identifies such retailer as engaged in the business of selling firearms, ammunition, accessories of firearms, or components of firearms. This section also prohibits a covered entity from assigning a merchant category code that is used only or primarily for firearms retailers or that identifies a firearms retailer as engaged in the business of selling firearms. A covered entity is defined as any entity that has on the date of the enactment of this Act, or establishes after the date of enactment, a relationship with a merchant for the purposes of processing credit, debit, or prepaid transactions.

Section 2 grants authority to the Attorney General to enforce this section and shall, no later than 90 days after enactment, establish a process for individuals, including firearms retailers, to submit complaints relating to alleged violations. If a violation takes place, the Attorney General shall investigate any such complaints and provide a written notice to a payment card network or covered entity that requires the alleged violator to remedy the violation no later than 30 days after the recipient receives such notice. If the recipient of a written notice does not remedy a violation within 30 days, the Attorney General may bring an action in Federal court to enjoin the violating behavior. This act does not create a private right of action.

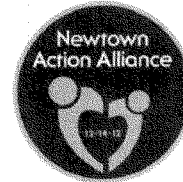
Section 2 establishes that any State or local government law regulating the assignment, use, or disclosure of merchant category codes that are used only or primarily for firearms retailers is preempted. This section clarifies that nothing in this Act may be con-

strued to prevent a payment card network or covered entity from complying with laws related to dispute processing, fraud, compliance management, or protecting transaction integrity from concerns related to illegal or suspicious activities, data breaches, or cyber risks.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

H.R. 1181 does not repeal or amend any section of a statute. Therefore, the Office of Legislative Counsel did not prepare the report required under clause 3(e) of rule XIII of the House of Representatives.

DOCUMENTS INCLUDED BY UNANIMOUS CONSENT



The Honorable French Hill
Chairman
House Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

December 15, 2025

Dear Chairman Hill and Ranking Member Waters,

We write as the nation reels from yet another mass shooting — this time, at Brown University in Providence, Rhode Island, in which two students were shot and killed, and 9 were shot and wounded — to express our strong opposition to H.R. 1181, the Protecting Privacy in Purchases Act. This bill would make it easier for mass shooters, gun traffickers, and even terrorists to abuse our financial systems to stockpile firearms and ammunition undetected.

H.R. 1181 would dangerously and unnecessarily prohibit payment card networks and financial institutions from implementing a Merchant Category Code (MCC) for firearm and ammunition retailers. This legislation would, in effect, deprive law enforcement of vital information for identifying gun trafficking rings, potential mass shooters, and others intent on violent criminal activity. Furthermore, this legislation would preempt state laws requiring the use of MCCs by firearm and ammunition retailers, stripping them of a critical tool to protect public safety. In

short, H.R. 1181 would allow criminal conduct to go unnoticed and undeterred, at the cost of American lives.

MCCs are four-digit numbers that identify the type of business processing a financial transaction. Hundreds of these MCCs exist for nearly every type of retailer, describing both entire industries and individual companies. Florists, grocery stores, fast-food restaurants, art dealers, automotive tire shops, and even candy stores have a distinct code based on retailer categories, not on the items an individual purchases. Algorithms have been designed to use these codes to filter through millions of daily transactions and identify key financial behaviors. This automated process allows creditors to detect and, when appropriate, report unprecedented purchasing activity at retailers that may indicate criminal intent or activity — from suspected fraud to violent crime. Originally developed for tax purposes, creditors now use MCC data for a range of purposes, including activity tracking, reporting, and risk management, while protecting the privacy of consumers.

In September 2022, the International Organization for Standardization (ISO) established an MCC specifically for firearms retailers, which makes it easier to monitor, identify, and interrupt suspicious transactions and potential gun crimes. This change brought them in line with virtually all other retailers in the United States. Previously, firearm sellers and manufacturers were coded as sporting goods stores, or simply as “other.”

The establishment of an MCC for firearm retailers is not an exception to standard practice; for far too long, firearm retailers were the outlier. They are one of the few types of retailers that do not have a distinct code, despite there being more firearms dealers in the United States than Starbucks and McDonald's franchise locations, combined.

The potential life-saving impact of the firearm retailer MCC cannot be overstated. Between 2007 and 2018, credit cards were used to finance at least eight major mass shootings. One of these included the shooting at Pulse nightclub in Orlando, Florida, where 49 people were killed, and 50 more were injured in June 2016. Just days before the shooter opened fire, his internet search history included the terms “credit card unusual spending,” “FBI,” and “Why banks stop your purchases.” He had opened six new credit card accounts in the eight months prior, and twelve days before the shooting, spent \$26,532 on, among other things, a rifle, a semiautomatic pistol, several large magazines, thousands of rounds of ammunition, and a \$7,500 ring for his wife. Prior to this, his average monthly spending on his single card was \$1,500. None of the credit-card operators, payment processors, or banks were alerted to the types of transactions being undertaken, and they did not notify law enforcement officials about these purchases.

Another of these examples was the mass shooting at the Route 91 Harvest festival in Las Vegas, Nevada, also financed by credit cards, which left 60 people dead and more than 400 others

injured by gunshot in October 2017. When the shooter's body was found, police identified four credit cards in his hotel room, which was also filled with two dozen firearms and thousands of rounds of ammunition. In the year before the shooting, he spent almost \$95,000 on firearms and other gun-related purchases, including around 55 firearms.

Had the MCC for firearm retailers been in place and used, it's possible that financial institutions could have alerted law enforcement about the suspicious and unprecedented firearm transactions of these mass shooters before they carried out their attacks. Unfortunately, under political pressure from gun industry-aligned lawmakers at both the state and federal level, the major credit card companies have announced plans to pause the implementation of these MCCs for gun dealers. This precludes the filing of suspicious activity reports (SARs) and denies law enforcement critical information that could be used to prevent mass shootings and firearms trafficking.

These MCCs also allow financial institutions to identify and report to law enforcement known patterns of suspicious transactions with a greater degree of specificity, such as repetitive purchases at the same gun store or purchases at multiple gun stores with corresponding cash deposits, supplying them with a critical tool to interrupt trafficking rings that flood our communities with guns and violence. When used, the firearm retailer MCC can also assist law enforcement in identifying instances of fraud used to fuel such illicit activities. For instance, recent reporting by Guns Down America identified several cases in which individuals used credit cards to fraudulently purchase guns or gun parts in someone else's name. In one case, an individual used stolen credit card information and billing addresses to buy \$15,000 worth of firearms. Fifteen days after a purchase, one of the guns was traced to a residential shooting and assault. Another was recovered from a juvenile after a shots-fired incident.

It is incomprehensible that Congress would choose to deny law enforcement a critical tool to prevent crime and mass violence before it happens, and to undermine state-led efforts to protect their constituents. Prohibiting the use of MCCs would prevent law enforcement and financial regulators from obtaining critical information that could help prevent gun violence and other crimes. For these reasons, we urge Members to oppose H.R. 1181.

Sincerely,

Brady
Community Justice
Everytown for Gun Safety
GIFFORDS
Guns Down America
Newtown Action Alliance

MINORITY VIEWS

H.R. 1181 would prohibit payment card networks from using a Merchant Category Code (“MCC”) that distinguishes firearms retailers from general-merchandise retailers or sporting-goods retailers, and would be enforced by the Department of Justice (“DOJ”). The bill would also preempt state laws in this regard.

Merchant Category Code is a four-digit number that credit card networks use to classify businesses by their primary goods or services to determine transaction fees and risk.¹ The use of MCC in purchases notes the type of store where a purchase is made, but not the type of products that are bought within such a store.² Additionally, if a financial institution offers cashback on purchases, the financial institution will use the MCC to tell which purchases were made so the cashback reward can be properly applied.³

In a letter opposing the bill, gun safety groups noted that, “Hundreds of these MCCs exist for nearly every type of retailer, describing both entire industries and individual companies. Florists, grocery stores, fast-food restaurants, art dealers, automotive tire shops, and even candy stores have a distinct code based on retailer categories, not on the items an individual purchases. Algorithms have been designed to use these codes to filter through millions of daily transactions and identify key financial behaviors. This automated process allows creditors to detect and, when appropriate, report unprecedented purchasing activity at retailers that may indicate criminal intent or activity—from suspected fraud to violent crime. Originally developed for tax purposes, creditors now use MCC data for a range of purposes, including activity tracking, reporting, and risk management, while protecting the privacy of consumers.”⁴

These codes are standardized by the International Organization for Standardization (“ISO”), a non-governmental organization based in Geneva, Switzerland.⁵ These standards are typically adopted by the major credit card networks like Visa, MasterCard, and American Express, as well as other P2P platforms.⁶ In September 2022, the ISO issued standards that created a MCC for firearm retailers.⁷ In response to that designation, Republican members on FSC sent a letter to Amalgamated Bank voicing their concerns that the

¹ *Merchant category codes (MCCs): What they are and MCC code lookup*, Stripe (last accessed: Dec. 13, 2025).

² America’s Credit Unions, *In the Crosshairs: Firearms Merchant Category Code* (Feb. 1, 2024).

³ *Id.*

⁴ See Letter from Brady, Community Justice, Everytown for Gun Safety, GIFFORDS, Guns Down America, and Newtown Action Alliance to FSC opposing H.R. 1181 (Dec. 15, 2025).

⁵ *Id.*

⁶ *Id.*

⁷ Ross Kerber, *Global standards body approves new merchant code for gun sellers*, Reuters (Sept. 9, 2022).

MCC code puts a burden on small retailers and would amount to flagging every firearm specific transaction as suspicious.⁸

In September 2023, California passed a law that would require use of the firearms MCC by May 2025.⁹ Groups like the Brady Campaign, Everytown for Gun Safety, and Women for American Values and Ethics were listed as supporting the California legislation.¹⁰ Additionally, Guns Down America applauded the implementation of the legislation in California.¹¹ A senior official from the Brady Campaign stated, “By categorizing firearm and ammunition retailers distinctly, financial institutions have a critical tool to identify and flag dangerous activity, potentially preventing gun trafficking and mass shooting tragedies before they occur.”¹² Colorado and New York have also enacted similar laws.¹³ On the other hand, Florida, Texas, and other states have passed legislation that would prohibit the use of the MCC to track firearm purchases.¹⁴ Then in March 2024, a group of more than 30 Democratic Members sent a letter to the Treasury Department and Federal banking agencies, urging Treasury to issue guidance directing payment card networks and financial institutions to implement the new MCC for firearm and ammunition retailers,¹⁵ though such a step was not taken.

H.R. 1181 would prohibit payment card networks from using a MCC to distinguish firearm retailers from other retailers and would be enforced by the DOJ. This Federal prohibition would preempt state laws, including California, Colorado, and New York, that require such MCC reporting, which proponents argue could help track suspicious purchases to prevent gun violence.

H.R. 1181 is strongly opposed by Americans for Financial Reform, Brady, Community Justice, Everytown for Gun Safety, GIFFORDS, Guns Down America, and Newtown Action Alliance. They wrote, “It is incomprehensible that Congress would choose to deny law enforcement a critical tool to prevent crime and mass violence before it happens, and to undermine state-led efforts to protect their constituents. Prohibiting the use of MCCs would prevent law enforcement and financial regulators from obtaining critical information that could help prevent gun violence and other crimes. For these reasons, we urge Members to oppose H.R. 1181.”

For these reasons, we oppose H.R. 1181.

Sincerely,

MAXINE WATERS,
Ranking Member.
 AL GREEN,
 BILL FOSTER,
 JOYCE BEATTY,

⁸ Letter from Ranking Member Patrick McHenry to Amalgamated Bank (Sept. 20, 2022).

⁹ Assembly Bill No. 1587 (Sept. 26, 2023).

¹⁰ Senate Judiciary Committee, AB 1587 (Jul. 6, 2023).

¹¹ Guns Down America, *California Implements First Merchant Category Code for Firearm Dealers* (Jul. 4, 2024). Also see SB 24-066 (2024).

¹² *Id.*

¹³ See SB 24-066 (2024); Governor Kathy Hochul, *Safer Street: Governor Hochul Signs Legislation Strengthening New York's Gun Safety Laws and Announces 53% Decline in Shootings* (Apr. 3, 2025).

¹⁴ CS/SB 214—*Sales of Firearms and Ammunition* (last accessed, Dec. 13, 2025). Also see Banking Dive, *States split over gun merchant category code* (Oct. 2, 2023).

¹⁵ Letter from Senator Elizabeth Warren and Representative Madeleine Dean to Treasury (Mar. 27, 2024).

AYANNA PRESSLEY,
RASHIDA TLAI,
SYLVIA R. GARCIA,
NIKEMA WILLIAMS,
Members of Congress.

