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119TH CONGRESS
2D SESSION

H. R. 7865

To provide direct refunds to taxpayers for increased consumer costs attributable to tariffs imposed without congressional authorization.

IN THE HOUSE OF REPRESENTATIVES

MARCH 9, 2026

Mr. CUELLAR introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To provide direct refunds to taxpayers for increased consumer costs attributable to tariffs imposed without congressional authorization.

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 ''American Consumer Tariff Rebate Act of 2026''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) Article I, Section 8 of the Constitution vests exclusively in Congress the authority to lay and collect duties and tariffs.

(2) Duties imposed pursuant to Presidential action under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) without express congressional authorization resulted in increased consumer prices nationwide.

(3) The Congressional Budget Office and the Joint Economic Committee have estimated that total consumer costs attributable to such tariffs are approximately $231,350,000,000.

(4) Congress has a responsibility to provide direct restitution to taxpayers for these unlawful cost increases, and to prioritize working families by excluding very high-income taxpayers and using the resulting savings to increase refunds for taxpayers raising children.

SEC. 3. DEFINITIONS.

In this Act:

(1) COVERED TARIFFS.—The term ''covered tariffs'' means duties imposed pursuant to Presidential action under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) that were subsequently determined to lack congressional authorization.

(2) ELIGIBLE RETURN.—The term ''eligible return'' means a Federal individual income tax return

filed for the most recent taxable year for which sufficient information is available, including returns filed as—

(A) single;

(B) married filing jointly;

(C) married filing separately;

(D) head of household; or

(E) qualifying surviving spouse.

(3) QUALIFIED CHILD.—The term ''qualified child'' has the meaning given in section 24(c) of the Internal Revenue Code of 1986.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury or the Secretary's delegate.

SEC. 4. ESTABLISHMENT OF TAXPAYER REBATE.

(a) IN GENERAL.—The Secretary shall provide a one-time direct payment to each Eligible Return in accordance with this section.

(b) INCOME LIMITATION.—No payment shall be made under this Act with respect to any return reporting adjusted gross income exceeding $400,000 for the most recent taxable year for which sufficient information is available.

(c) AGGREGATE LIMITATION.—The total amount of payments made under this Act shall not exceed $231,350,000,000.

(d) DETERMINATION OF BASE AMOUNT.—

(1) The Secretary shall determine a Base Amount such that, if payments were made under subsection (e) with respect to all Eligible Returns (without regard to subsection (b)), the total amount of such payments would equal $231,350,000,000.

(2) In calculating the Base Amount, the Secretary shall calculate such amount by dividing $231,350,000,000 by the sum of—

(A) the number of Eligible Returns filed as single;

(B) the number of Eligible Returns filed as married filing separately;

(C) 1.5 multiplied by the number of Eligible Returns filed as head of household; and

(D) 2 multiplied by the sum of—

(i) the number of Eligible Returns filed as married filing jointly; and

(ii) the number of Eligible Returns filed as qualifying surviving spouse.

(e) PAYMENT AMOUNTS BY FILING STATUS.—Subject to subsection (b), the payment for an Eligible Return shall be—

(1) in the case of a return filed as single, an amount equal to 100 percent of the Base Amount;

(2) in the case of a return filed as married filing separately, an amount equal to 100 percent of the Base Amount;

(3) in the case of a return filed as head of household, an amount equal to 150 percent of the Base Amount;

(4) in the case of a return filed as married filing jointly, an amount equal to 200 percent of the Base Amount; or

(5) in the case of a return filed as qualifying surviving spouse, an amount equal to 200 percent of the Base Amount.

SEC. 5. CHILD BONUS FUNDED BY HIGH-INCOME EXCLUSION.

(a) IN GENERAL.—In addition to any amount paid under section 4, the Secretary shall pay a Child Bonus with respect to any Eligible Return that—

(1) is not excluded under section 4(b); and

(2) claims one or more Qualified Children.

(b) FIXED AMOUNT.—The Child Bonus shall be equal to $125 for each Qualified Child claimed on such return.

(c) FUNDING AND CAP.—

(1) USE OF SAVINGS.—Amounts paid under this section shall be paid solely from amounts not paid due to the income limitation under section 4(b).

(2) LIMITATION.—Total payments under this section, together with total payments under section 4, shall not exceed $231,350,000,000.

(d) PRORATION AUTHORITY.—If the Secretary determines that the amount available under subsection (c)(1) is insufficient to pay the full Child Bonus amounts specified in subsection (b), the Secretary shall reduce each Child Bonus payment on a pro rata basis so that the aggregate limitation under section 4(c) is not exceeded.

(e) COORDINATION.—The Secretary shall, to the maximum extent practicable, disburse the Child Bonus as part of the same payment as the section 4 rebate.

SEC. 6. METHOD OF DISTRIBUTION.

(a) AUTOMATIC DISTRIBUTION.—Payments shall be issued automatically using information available to the Internal Revenue Service.

(b) MEANS OF PAYMENT.—Payments may be made by—

(1) direct deposit;

(2) paper check; or

(3) prepaid debit card.

(c) NON-FILERS.—The Secretary shall establish a simplified filing procedure for individuals who did not file a return for the most recent taxable year but would otherwise have been eligible to file.

SEC. 7. ADMINISTRATION.

(a) The Secretary may prescribe such guidance, regulations, and procedures as are necessary to carry out this Act.

(b) The Secretary may round payment amounts to the nearest whole dollar or other administratively practical increment and shall implement such rounding in a manner that does not cause total payments to exceed $231,350,000,000.

SEC. 8. REPORT TO CONGRESS.

Not later than 90 days after enactment, and every 60 days thereafter until all payments are distributed, the Secretary shall submit to Congress a report detailing—

(1) the number of payments issued by filing status under section 4;

(2) the number of returns receiving a Child Bonus and the aggregate number of Qualified Children claimed for purposes of section 5;

(3) the total amount disbursed under section 4 and under section 5; and

(4) the remaining unobligated balance, if any, under the $231,350,000,000 aggregate limitation.

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