

119TH CONGRESS
2^D 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

A BILL

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

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 “American Consumer
5 Tariff Rebate Act of 2026”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

8 (1) Article I, Section 8 of the Constitution vests
9 exclusively in Congress the authority to lay and col-
10 lect duties and tariffs.

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

6 (3) The Congressional Budget Office and the
7 Joint Economic Committee have estimated that total
8 consumer costs attributable to such tariffs are ap-
9 proximately \$231,350,000,000.

10 (4) Congress has a responsibility to provide di-
11 rect restitution to taxpayers for these unlawful cost
12 increases, and to prioritize working families by ex-
13 cluding very high-income taxpayers and using the re-
14 sulting savings to increase refunds for taxpayers
15 raising children.

16 **SEC. 3. DEFINITIONS.**

17 In this Act:

18 (1) COVERED TARIFFS.—The term “covered
19 tariffs” means duties imposed pursuant to Presi-
20 dential action under the International Emergency
21 Economic Powers Act (50 U.S.C. 1701 et seq.) that
22 were subsequently determined to lack congressional
23 authorization.

24 (2) ELIGIBLE RETURN.—The term “eligible re-
25 turn” means a Federal individual income tax return

1 filed for the most recent taxable year for which suf-
2 ficient information is available, including returns
3 filed as—

- 4 (A) single;
- 5 (B) married filing jointly;
- 6 (C) married filing separately;
- 7 (D) head of household; or
- 8 (E) qualifying surviving spouse.

9 (3) **QUALIFIED CHILD.**—The term “qualified
10 child” has the meaning given in section 24(c) of the
11 Internal Revenue Code of 1986.

12 (4) **SECRETARY.**—The term “Secretary” means
13 the Secretary of the Treasury or the Secretary’s del-
14 egate.

15 **SEC. 4. ESTABLISHMENT OF TAXPAYER REBATE.**

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

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

1 (c) AGGREGATE LIMITATION.—The total amount of
2 payments made under this Act shall not exceed
3 \$231,350,000,000.

4 (d) DETERMINATION OF BASE AMOUNT.—

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

10 (2) In calculating the Base Amount, the Sec-
11 retary shall calculate such amount by dividing
12 \$231,350,000,000 by the sum of—

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

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

17 (C) 1.5 multiplied by the number of Eligi-
18 ble Returns filed as head of household; and

19 (D) 2 multiplied by the sum of—

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

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

1 (e) PAYMENT AMOUNTS BY FILING STATUS.—Sub-
2 ject to subsection (b), the payment for an Eligible Return
3 shall be—

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

6 (2) in the case of a return filed as married fil-
7 ing separately, an amount equal to 100 percent of
8 the Base Amount;

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

12 (4) in the case of a return filed as married fil-
13 ing jointly, an amount equal to 200 percent of the
14 Base Amount; or

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

18 **SEC. 5. CHILD BONUS FUNDED BY HIGH-INCOME EXCLU-**
19 **SION.**

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

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

24 (2) claims one or more Qualified Children.

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

4 (c) FUNDING AND CAP.—

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

8 (2) LIMITATION.—Total payments under this
9 section, together with total payments under section
10 4, shall not exceed \$231,350,000,000.

11 (d) PRORATION AUTHORITY.—If the Secretary deter-
12 mines that the amount available under subsection (c)(1)
13 is insufficient to pay the full Child Bonus amounts speci-
14 fied in subsection (b), the Secretary shall reduce each
15 Child Bonus payment on a pro rata basis so that the ag-
16 gregate limitation under section 4(c) is not exceeded.

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

20 **SEC. 6. METHOD OF DISTRIBUTION.**

21 (a) AUTOMATIC DISTRIBUTION.—Payments shall be
22 issued automatically using information available to the In-
23 ternal Revenue Service.

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

- 1 (1) direct deposit;
- 2 (2) paper check; or
- 3 (3) prepaid debit card.

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

8 **SEC. 7. ADMINISTRATION.**

9 (a) The Secretary may prescribe such guidance, regu-
10 lations, and procedures as are necessary to carry out this
11 Act.

12 (b) The Secretary may round payment amounts to
13 the nearest whole dollar or other administratively practical
14 increment and shall implement such rounding in a manner
15 that does not cause total payments to exceed
16 \$231,350,000,000.

17 **SEC. 8. REPORT TO CONGRESS.**

18 Not later than 90 days after enactment, and every
19 60 days thereafter until all payments are distributed, the
20 Secretary shall submit to Congress a report detailing—

- 21 (1) the number of payments issued by filing
22 status under section 4;
- 23 (2) the number of returns receiving a Child
24 Bonus and the aggregate number of Qualified Chil-
25 dren claimed for purposes of section 5;

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

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

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