

119TH CONGRESS
1ST SESSION

S. 2475

To amend the Internal Revenue Code of 1986 to provide rebates to individuals using tariff proceeds.

IN THE SENATE OF THE UNITED STATES

JULY 28, 2025

Mr. HAWLEY 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 provide rebates to individuals using tariff proceeds.

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; STATEMENT OF POLICY.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
5 “American Worker Rebate Act of 2025”.

6 (b) **STATEMENT OF POLICY.**—It is the policy of the
7 United States to use revenue raised from tariffs applied
8 on foreign imports to provide relief for working people
9 through immediate tax rebates.

1 **SEC. 2. TARIFF REBATES FOR INDIVIDUALS.**

2 (a) IN GENERAL.—Subchapter B of chapter 65 of
 3 subtitle F of the Internal Revenue Code of 1986 is amend-
 4 ed by inserting after section 6428B the following new sec-
 5 tion:

6 **“SEC. 6428C. TARIFF REBATES FOR INDIVIDUALS.**

7 “(a) IN GENERAL.—

8 “(1) AMOUNT OF REBATE.—In the case of an
 9 eligible individual, there shall be allowed as a credit
 10 against the tax imposed by subtitle A for the first
 11 taxable year beginning in 2025 an amount equal to
 12 the sum of—

13 “(A) the applicable amount (or, in the case
 14 of eligible individuals filing a joint return, 200
 15 percent of the applicable amount), plus

16 “(B) an amount equal to the product of
 17 the applicable amount multiplied by the number
 18 of qualifying children (within the meaning of
 19 section 24(c)) of the taxpayer.

20 “(2) APPLICABLE AMOUNT.—

21 “(A) IN GENERAL.—For purposes of para-
 22 graph (1), the applicable amount shall be equal
 23 to the greater of—

24 “(i) \$600, or

25 “(ii) an amount (rounded to the near-
 26 est dollar) equal to the quotient of—

1 “(I) the amount of qualifying
2 tariff proceeds received during such
3 taxable year, divided by

4 “(II) the total number of eligible
5 individuals and qualifying children (as
6 so defined) of such individuals for
7 such taxable year.

8 “(B) QUALIFYING TARIFF PROCEEDS.—

9 “(i) IN GENERAL.—For purposes of
10 this subsection, the term ‘qualifying tariff
11 proceeds’ means the revenues received in
12 the general fund of the Treasury which are
13 attributable to duties, including any sup-
14 plemental duties, imposed after January
15 20, 2025.

16 “(ii) PROJECTION OF PROCEEDS.—
17 For purposes of the application of sub-
18 section (f), in determining the amount de-
19 scribed in paragraph (2)(A)(ii)(I), the Sec-
20 retary may use projections and forecasts
21 for annual tariff revenue based on a re-
22 ceipt to date in each taxable year.

23 “(b) TREATMENT OF CREDIT.—The credit allowed by
24 subsection (a) shall be treated as allowed by subpart C
25 of part IV of subchapter A of chapter 1.

1 “(c) LIMITATION BASED ON ADJUSTED GROSS IN-
2 COME.—The amount of the credit allowed by subsection
3 (a) (determined without regard to this subsection and sub-
4 section (e)) shall be reduced (but not below zero) by 5
5 percent of so much of the taxpayer’s adjusted gross in-
6 come as exceeds—

7 “(1) \$150,000 in the case of a joint return,

8 “(2) \$112,500 in the case of a head of house-
9 hold, and

10 “(3) \$75,000 in the case of a taxpayer not de-
11 scribed in paragraph (1) or (2).

12 “(d) ELIGIBLE INDIVIDUAL.—For purposes of this
13 section, the term ‘eligible individual’ means any individual
14 other than—

15 “(1) any nonresident alien individual,

16 “(2) any individual with respect to whom a de-
17 duction under section 151 is allowable to another
18 taxpayer for a taxable year beginning in the cal-
19 endar year in which the individual’s taxable year be-
20 gins, and

21 “(3) an estate or trust.

22 “(e) COORDINATION WITH ADVANCE REFUNDS OF
23 CREDIT.—

24 “(1) IN GENERAL.—The amount of credit
25 which would (but for this paragraph) be allowable

1 under this section shall be reduced (but not below
2 zero) by the aggregate refunds and credits made or
3 allowed to the taxpayer under subsection (f). Any
4 failure to so reduce the credit shall be treated as
5 arising out of a mathematical or clerical error and
6 assessed according to section 6213(b)(1).

7 “(2) JOINT RETURNS.—In the case of a refund
8 or credit made or allowed under subsection (f) with
9 respect to a joint return, half of such refund or cred-
10 it shall be treated as having been made or allowed
11 to each individual filing such return.

12 “(f) ADVANCE REFUNDS AND CREDITS.—

13 “(1) IN GENERAL.—Subject to paragraph (5),
14 each individual who was an eligible individual for
15 such individual’s first taxable year beginning in
16 2024 shall be treated as having made a payment
17 against the tax imposed by chapter 1 for such tax-
18 able year in an amount equal to the advance refund
19 amount for such taxable year.

20 “(2) ADVANCE REFUND AMOUNT.—For pur-
21 poses of paragraph (1), the advance refund amount
22 is the amount that would have been allowed as a
23 credit under this section for such taxable year if this
24 section (other than subsection (e) and this sub-
25 section) had applied to such taxable year.

1 “(3) TIMING AND MANNER OF PAYMENTS.—

2 “(A) TIMING.—The Secretary shall, sub-
3 ject to the provisions of this title, refund or
4 credit any overpayment attributable to this sec-
5 tion as rapidly as possible. No refund or credit
6 shall be made or allowed under this subsection
7 after December 31, 2026.

8 “(B) DELIVERY OF PAYMENTS.—Notwith-
9 standing any other provision of law, the Sec-
10 retary may certify and disburse refunds payable
11 under this subsection electronically to any ac-
12 count to which the payee authorized, on or after
13 January 1, 2023, the delivery of a refund of
14 taxes under this title or of a Federal payment
15 (as defined in section 3332 of title 31, United
16 States Code).

17 “(C) WAIVER OF CERTAIN RULES.—Not-
18 withstanding section 3325 of title 31, United
19 States Code, or any other provision of law, with
20 respect to any payment of a refund under this
21 subsection, a disbursing official in the executive
22 branch of the United States Government may
23 modify payment information received from an
24 officer or employee described in section
25 3325(a)(1)(B) of such title for the purpose of

1 facilitating the accurate and efficient delivery of
2 such payment. Except in cases of fraud or reck-
3 less neglect, no liability under sections 3325,
4 3527, 3528, or 3529 of title 31, United States
5 Code, shall be imposed with respect to pay-
6 ments made under this subparagraph.

7 “(4) NO INTEREST.—No interest shall be al-
8 lowed on any overpayment attributable to this sec-
9 tion.

10 “(5) ALTERNATE TAXABLE YEAR.—In the case
11 of an individual who, at the time of any determina-
12 tion made pursuant to paragraph (3), has not filed
13 a tax return for the year described in paragraph (1),
14 the Secretary may—

15 “(A) apply such paragraph by substituting
16 ‘2023’ for ‘2024’, and

17 “(B) if the individual has not filed a tax
18 return for such individual’s first taxable year
19 beginning in 2023, use information with respect
20 to such individual for calendar year 2024 pro-
21 vided in—

22 “(i) Form SSA–1099, Social Security
23 Benefit Statement, or

24 “(ii) Form RRB–1099, Social Secu-
25 rity Equivalent Benefit Statement.

1 “(6) NOTICE TO TAXPAYER.—Not later than 15
2 days after the date on which the Secretary distrib-
3 uted any payment to an eligible taxpayer pursuant
4 to this subsection, notice shall be sent by mail to
5 such taxpayer’s last known address. Such notice
6 shall indicate the method by which such payment
7 was made, the amount of such payment, and a
8 phone number for the appropriate point of contact
9 at the Internal Revenue Service to report any failure
10 to receive such payment.

11 “(g) IDENTIFICATION NUMBER REQUIREMENT.—

12 “(1) IN GENERAL.—No credit shall be allowed
13 under subsection (a) to an eligible individual who
14 does not include on the return of tax for the taxable
15 year—

16 “(A) such individual’s valid identification
17 number,

18 “(B) in the case of a joint return, the valid
19 identification number of such individual’s
20 spouse, and

21 “(C) in the case of any qualifying child
22 taken into account under subsection (a)(2), the
23 valid identification number of such qualifying
24 child.

25 “(2) VALID IDENTIFICATION NUMBER.—

1 “(A) IN GENERAL.—For purposes of para-
2 graph (1), the term ‘valid identification num-
3 ber’ means a social security number (as such
4 term is defined in section 24(h)(7)).

5 “(B) ADOPTION TAXPAYER IDENTIFICA-
6 TION NUMBER.—For purposes of paragraph
7 (1)(C), in the case of a qualifying child who is
8 adopted or placed for adoption, the term ‘valid
9 identification number’ shall include the adop-
10 tion taxpayer identification number of such
11 child.

12 “(3) SPECIAL RULE FOR MEMBERS OF THE
13 ARMED FORCES.—Paragraph (1)(B) shall not apply
14 in the case where at least 1 spouse was a member
15 of the Armed Forces of the United States at any
16 time during the taxable year and at least 1 spouse
17 satisfies paragraph (1)(A).

18 “(4) MATHEMATICAL OR CLERICAL ERROR AU-
19 THORITY.—Any omission of a correct valid identi-
20 fication number required under this subsection shall
21 be treated as a mathematical or clerical error for
22 purposes of applying section 6213(g)(2) to such
23 omission.

24 “(h) REGULATIONS.—The Secretary shall prescribe
25 such regulations or other guidance as may be necessary

1 to carry out the purposes of this section, including any
2 such measures as are deemed appropriate to avoid allow-
3 ing multiple credits or rebates to a taxpayer.”.

4 (b) ADMINISTRATIVE AMENDMENTS.—

5 (1) DEFINITION OF DEFICIENCY.—Section
6 6211(b)(4)(A) of the Internal Revenue Code of 1986
7 is amended by inserting “6428C,” after “6428B,”.

8 (2) MATHEMATICAL OR CLERICAL ERROR AU-
9 THORITY.—Section 6213(g)(2)(L) of such Code is
10 amended by striking “or 6428A” and inserting
11 “6428A, or 6428C”.

12 (c) TREATMENT OF POSSESSIONS.—

13 (1) PAYMENTS TO POSSESSIONS.—

14 (A) MIRROR CODE POSSESSION.—The Sec-
15 retary of the Treasury shall pay to each posses-
16 sion of the United States which has a mirror
17 code tax system amounts equal to the loss (if
18 any) to that possession by reason of the amend-
19 ments made by this section. Such amounts shall
20 be determined by the Secretary of the Treasury
21 based on information provided by the govern-
22 ment of the respective possession.

23 (B) OTHER POSSESSIONS.—The Secretary
24 of the Treasury shall pay to each possession of
25 the United States which does not have a mirror

1 code tax system amounts estimated by the Sec-
2 retary of the Treasury as being equal to the ag-
3 gregate benefits (if any) that would have been
4 provided to residents of such possession by rea-
5 son of the amendments made by this section if
6 a mirror code tax system had been in effect in
7 such possession. The preceding sentence shall
8 not apply unless the respective possession has a
9 plan, which has been approved by the Secretary
10 of the Treasury, under which such possession
11 will promptly distribute such payments to its
12 residents.

13 (2) COORDINATION WITH CREDIT ALLOWED
14 AGAINST UNITED STATES INCOME TAXES.—No cred-
15 it shall be allowed against United States income
16 taxes under section 6428C of the Internal Revenue
17 Code of 1986 (as added by this section) to any per-
18 son—

19 (A) to whom a credit is allowed against
20 taxes imposed by the possession by reason of
21 the amendments made by this section, or

22 (B) who is eligible for a payment under a
23 plan described in paragraph (1)(B).

24 (3) DEFINITIONS AND SPECIAL RULES.—

1 (A) POSSESSION OF THE UNITED
2 STATES.—For purposes of this subsection, the
3 term “possession of the United States” includes
4 the Commonwealth of Puerto Rico and the
5 Commonwealth of the Northern Mariana Is-
6 lands.

7 (B) MIRROR CODE TAX SYSTEM.—For pur-
8 poses of this subsection, the term “mirror code
9 tax system” means, with respect to any posses-
10 sion of the United States, the income tax sys-
11 tem of such possession if the income tax liabil-
12 ity of the residents of such possession under
13 such system is determined by reference to the
14 income tax laws of the United States as if such
15 possession were the United States.

16 (C) TREATMENT OF PAYMENTS.—For pur-
17 poses of section 1324 of title 31, United States
18 Code, the payments under this subsection shall
19 be treated in the same manner as a refund due
20 from a credit provision referred to in subsection
21 (b)(2) of such section.

22 (d) EXCEPTION FROM REDUCTION OR OFFSET.—
23 Any credit or refund allowed or made to any individual
24 by reason of section 6428C of the Internal Revenue Code

1 of 1986 (as added by this section) or by reason of sub-
2 section (c) of this section shall not be—

3 (1) subject to reduction or offset pursuant to
4 section 3716 or 3720A of title 31, United States
5 Code,

6 (2) subject to reduction or offset pursuant to
7 subsection (d), (e), or (f) of section 6402 of the In-
8 ternal Revenue Code of 1986, or

9 (3) reduced or offset by other assessed Federal
10 taxes that would otherwise be subject to levy or col-
11 lection.

12 (e) PUBLIC AWARENESS CAMPAIGN.—The Secretary
13 of the Treasury (or the Secretary’s delegate) shall conduct
14 a public awareness campaign, in coordination with the
15 Commissioner of Social Security and the heads of other
16 relevant Federal agencies, to provide information regard-
17 ing the availability of the credit and rebate allowed under
18 section 6428C of the Internal Revenue Code of 1986 (as
19 added by this section), including information with respect
20 to individuals who may not have filed a tax return for tax-
21 able year 2023 or 2024.

22 (f) CONFORMING AMENDMENTS.—

23 (1) Paragraph (2) of section 1324(b) of title
24 31, United States Code, is amended by inserting
25 “6428C,” after “6428B,”.

1 (2) The table of sections for subchapter B of
2 chapter 65 of subtitle F of the Internal Revenue
3 Code of 1986 is amended by inserting after the item
4 relating to section 6428B the following:

“Sec. 6428C. Tariff rebates for individuals.”.

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