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(Original Signature of Member)

118TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to postpone tax deadlines and reimburse paid late fees for United States nationals who are unlawfully or wrongfully detained or held hostage abroad, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. TITUS introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend the Internal Revenue Code of 1986 to postpone tax deadlines and reimburse paid late fees for United States nationals who are unlawfully or wrongfully detained or held hostage abroad, and for other purposes.

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 “Stop Tax Penalties
5 on American Hostages Act”.

1 **SEC. 2. POSTPONEMENT OF TAX DEADLINES FOR HOS-**
2 **TAGES AND INDIVIDUALS WRONGFULLY DE-**
3 **TAINED ABROAD.**

4 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
5 enue Code of 1986 is amended by inserting after section
6 7510 the following new section:

7 **“SEC. 7511. TIME FOR PERFORMING CERTAIN ACTS POST-**
8 **PONED FOR HOSTAGES AND INDIVIDUALS**
9 **WRONGFULLY DETAINED ABROAD.**

10 “(a) TIME TO BE DISREGARDED.—

11 “(1) IN GENERAL.—Any applicable individual
12 shall be entitled to the benefits of section 7508 in
13 the same manner as if such individual was per-
14 forming services described in subsection (a) of such
15 section for any period in which such individual
16 was—

17 “(A) unlawfully or wrongfully detained
18 abroad, or

19 “(B) held hostage abroad.

20 “(2) APPLICATION TO SPOUSE.—The provisions
21 of paragraph (1) shall apply to the spouse of any in-
22 dividual entitled to the benefits of such paragraph.

23 “(b) APPLICABLE INDIVIDUAL.—

24 “(1) IN GENERAL.—For purposes of this sec-
25 tion, the term ‘applicable individual’ means any indi-
26 vidual who is—

1 “(A) included on the list of United States
2 nationals unlawfully or wrongfully detained that
3 is included in the annual report required under
4 section 302(c) of the Robert Levinson Hostage
5 Recovery and Hostage-Taking Accountability
6 Act (22 U.S.C. 1741(c)), or

7 “(B) a United States national taken hos-
8 tage abroad, as determined pursuant to the
9 findings of the Hostage Recovery Fusion Cell
10 (as described in section 304 of the Robert
11 Levinson Hostage Recovery and Hostage-Tak-
12 ing Accountability Act (22 U.S.C. 1741b)).

13 “(2) INFORMATION PROVIDED TO TREASURY.—
14 For purposes of identifying individuals described in
15 paragraph (1), not later than January 1, 2024, and
16 annually thereafter—

17 “(A) the Secretary of State shall provide
18 the Secretary with the report described in para-
19 graph (1)(A), as well as any other information
20 necessary to identify the individuals described
21 in such report, and

22 “(B) the Attorney General, acting through
23 the Hostage Recovery Fusion Cell, shall provide
24 the Secretary with a list of the individuals de-
25 scribed in paragraph (1)(B), as well as any

1 other information necessary to identify such in-
2 dividuals.

3 “(c) REFUND AND ABATEMENT OF PENALTIES AND
4 FINES IMPOSED PRIOR TO IDENTIFICATION AS APPLICA-
5 BLE INDIVIDUAL.—In the case of any applicable indi-
6 vidual—

7 “(1) for whom any interest, penalty, additional
8 amount, or addition to the tax in respect to any tax
9 liability for any taxable year ending during the pe-
10 riod described in subsection (a)(1) was assessed or
11 collected, and

12 “(2) who was, subsequent to such assessment
13 or collection, included on the list described in sub-
14 section (b)(1)(A) or determined pursuant to sub-
15 section (b)(1)(B) to be a United States national
16 taken hostage abroad,

17 the Secretary shall abate any such assessment and refund
18 any amount collected to such applicable individual in the
19 same manner as any refund of an overpayment of tax.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 for chapter 77 of the Internal Revenue Code of 1986 is
22 amended by inserting after the item relating to section
23 7510 the following new item:

“Sec. 7511. Time for performing certain acts postponed for hostages and indi-
viduals wrongfully detained abroad.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years ending after the
3 date of enactment of this Act.

4 **SEC. 3. REFUND AND ABATEMENT OF PENALTIES AND**
5 **FINES PAID BY ELIGIBLE INDIVIDUALS.**

6 (a) IN GENERAL.—Section 7511 of the Internal Rev-
7 enue Code of 1986, as added by section 2, is amended
8 by adding at the end the following new subsection:

9 “(c) REFUND AND ABATEMENT OF PENALTIES AND
10 FINES PAID BY ELIGIBLE INDIVIDUALS.—

11 “(1) IN GENERAL.—

12 “(A) ESTABLISHMENT.—Not later than
13 January 1, 2024, the Secretary (in consultation
14 with the Secretary of State and the Attorney
15 General) shall establish a program to allow any
16 eligible individual (or the spouse or any depend-
17 ent (as defined in section 152) of such indi-
18 vidual) to apply for a refund or an abatement
19 of any amount described in paragraph (2) (in-
20 cluding interest) to the extent such amount was
21 attributable to the applicable period.

22 “(B) IDENTIFICATION OF INDIVIDUALS.—
23 Not later than January 1, 2024, the Secretary
24 of State and the Attorney General, acting
25 through the Hostage Recovery Fusion Cell (as

1 described in section 304 of the Robert Levinson
2 Hostage Recovery and Hostage-Taking Ac-
3 countability Act (22 U.S.C. 1741b)), shall—

4 “(i) compile a list, based on such in-
5 formation as is available, of individuals
6 who were applicable individuals during the
7 applicable period, and

8 “(ii) provide the list described in
9 clause (i) to the Secretary.

10 “(C) NOTICE.—For purposes of carrying
11 out the program described in subparagraph (A),
12 the Secretary (in consultation with the Sec-
13 retary of State and the Attorney General) shall,
14 with respect to any individual identified under
15 subparagraph (B), provide notice to such indi-
16 vidual—

17 “(i) in the case of an individual who
18 has been released on or before the date of
19 enactment of this subsection, not later
20 than 90 days after the date of enactment
21 of this subsection, or

22 “(ii) in the case of an individual who
23 is released after the date of enactment of
24 this subsection, not later than 90 days

1 after the date on which such individual is
2 released,
3 that such individual may be eligible for a refund
4 or an abatement of any amount described in
5 paragraph (2) pursuant to the program de-
6 scribed in subparagraph (A).

7 “(D) AUTHORIZATION.—

8 “(i) IN GENERAL.—Subject to clause
9 (ii), in the case of any refund described in
10 subparagraph (A), the Secretary shall
11 issue such refund to the eligible individual
12 in the same manner as any refund of an
13 overpayment of tax.

14 “(ii) EXTENSION OF LIMITATION ON
15 TIME FOR REFUND.—With respect to any
16 refund under subparagraph (A)—

17 “(I) the 3-year period of limita-
18 tion prescribed by section 6511(a)
19 shall not expire before the date which
20 is 1 year after the date the notice de-
21 scribed in subparagraph (C) is pro-
22 vided to the eligible individual, and

23 “(II) any limitation under section
24 6511(b)(2) shall not apply.

1 “(2) ELIGIBLE INDIVIDUAL.—For purposes of
2 this subsection, the term ‘eligible individual’ means
3 any applicable individual who, for any taxable year
4 ending during the applicable period, paid or incurred
5 any interest, penalty, additional amount, or addition
6 to the tax in respect to any tax liability for such
7 year of such individual based on a determination
8 that an act described in paragraph (1) of section
9 7508(a) which was not performed by the time pre-
10 scribed therefor (without regard to any extensions).

11 “(3) APPLICABLE PERIOD.—For purposes of
12 this subsection, the term ‘applicable period’ means
13 the period—

14 “(A) beginning on January 1, 2021, and

15 “(B) ending on the date of enactment of
16 this subsection.”.

17 (b) EFFECTIVE DATE.—The amendment made by
18 this section shall apply to taxable years ending on or be-
19 fore the date of enactment of this Act.