

119TH CONGRESS
2D SESSION

H. R. 1181

AN ACT

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

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

4 **SEC. 2. DISTINGUISHING FIREARM RETAILERS PROHIB-**
5 **ITED.**

6 (a) PROHIBITIONS RELATING TO MERCHANT CAT-
7 EGORY CODES.—

8 (1) FOR PAYMENT CARD NETWORKS.—A pay-
9 ment card network may not require—

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

12 (i) is used only or primarily for fire-
13 arms retailers; or

14 (ii) identifies such retailer as engaged
15 in the business of selling firearms, ammu-
16 nition, accessories of firearms, or compo-
17 nents of firearms; or

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

23 (2) FOR COVERED ENTITIES.—A covered entity
24 may not assign to a firearms retailer any merchant
25 category code that is used only or primarily for fire-
26 arms retailers or that identifies such retailer as en-

1 gaged in the business of selling firearms, ammuni-
2 tion, accessories of firearms, or components of fire-
3 arms.

4 (b) ENFORCEMENT.—

5 (1) IN GENERAL.—The Attorney General shall
6 enforce this section and shall, not later than 90 days
7 after the date of the enactment of this section, es-
8 tablish a process for individuals, including firearms
9 retailers, to submit complaints relating to alleged
10 violations of this section.

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

15 (3) WRITTEN NOTICE.—If the Attorney General
16 determines, after conducting an investigation under
17 paragraph (2), that a payment card network or cov-
18 ered entity has violated this section, the Attorney
19 General shall send a written notice of such violation
20 to such payment card network or covered entity that
21 requires the payment card network or covered entity
22 to remedy the violation not later than 30 days after
23 the date on which the payment card network or cov-
24 ered entity receives such notice.

25 (4) INJUNCTION.—

1 (A) IN GENERAL.—If a payment card net-
2 work or covered entity does not remedy a viola-
3 tion within 30 days of receiving a written notice
4 under paragraph (3), the Attorney General may
5 bring an action in Federal court to enjoin the
6 violating behavior.

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

9 (c) PREEMPTION.—

10 (1) IN GENERAL.—Any law of a State or local
11 government regulating the assignment, use, or dis-
12 closure of merchant category codes that are used
13 only or primarily for firearms retailers or that iden-
14 tifies a retailer as engaged in the business of selling
15 firearms, ammunition, accessories of firearms, or
16 components of firearms is hereby preempted.

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

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

3 (1) identifies the number of investigations un-
4 dertaken by the Attorney General under subsection
5 (b);

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

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

10 (e) DEFINITIONS.—In this Act:

11 (1) AMMUNITION.—The term “ammunition”
12 has the meaning given the term in section
13 921(a)(17)(A) of title 18, United States Code.

14 (2) COVERED ENTITY.—The term “covered en-
15 tity” means any entity that—

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

21 (B) has on the date of the enactment of
22 this section, or establishes after the date of the
23 enactment of this section, a relationship with an
24 entity that establishes a relationship with a
25 merchant for the purposes of processing credit

1 transactions, debit transactions, or prepaid
2 transactions.

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

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

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

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

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

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

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

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

- 1 (A) firearms;
- 2 (B) ammunition;
- 3 (C) accessories of firearms; or
- 4 (D) components of firearms.

5 (5) MERCHANT CATEGORY CODE.—The term
6 “merchant category code” means a multi-digit code,
7 issued by the International Organization for Stand-
8 ardization, for the purposes of enabling the classi-
9 fication of merchants into specific categories based
10 on the type of business, trade, or services supplied.

11 (6) PAYMENT CARD NETWORK.—The term
12 “payment card network” means an entity that di-
13 rectly or through a network participant, processor,
14 or agent provides proprietary services, infrastruc-
15 ture, software, or hardware used to authorize, clear
16 and settle credit, debit, or prepaid transactions.

Passed the House of Representatives July 14, 2026.

Attest:

Clerk.

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