IIB

119TH CONGRESS
2D SESSION

H. R. 1181

IN THE SENATE OF THE UNITED STATES

JULY 15, 2026

Received; read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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.

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 ''Protecting Privacy in Purchases Act''.

SEC. 2. DISTINGUISHING FIREARM RETAILERS PROHIBITED.

(a) PROHIBITIONS RELATING TO MERCHANT CATEGORY CODES.—

(1) FOR PAYMENT CARD NETWORKS.—A payment card network may not require—

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

(i) is used only or primarily for firearms retailers; or

(ii) identifies such retailer as engaged in the business of selling firearms, ammunition, accessories of firearms, or components of firearms; or

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

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

gaged in the business of selling firearms, ammunition, accessories of firearms, or components of firearms.

(b) ENFORCEMENT.—

(1) IN GENERAL.—The Attorney General shall enforce this section and shall, not later than 90 days after the date of the enactment of this section, establish a process for individuals, including firearms retailers, to submit complaints relating to alleged violations of this section.

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

(3) WRITTEN NOTICE.—If the Attorney General determines, after conducting an investigation under paragraph (2), that a payment card network or covered entity has violated this section, the Attorney General shall send a written notice of such violation to such payment card network or covered entity that requires the payment card network or covered entity to remedy the violation not later than 30 days after the date on which the payment card network or covered entity receives such notice.

(4) INJUNCTION.—

(A) IN GENERAL.—If a payment card network or covered entity does not remedy a violation within 30 days of receiving a written notice under paragraph (3), the Attorney General may bring an action in Federal court to enjoin the violating behavior.

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

(c) PREEMPTION.—

(1) IN GENERAL.—Any law of a State or local government regulating the assignment, use, or disclosure of merchant category codes that are used only or primarily for firearms retailers or that identifies a retailer as engaged in the business of selling firearms, ammunition, accessories of firearms, or components of firearms is hereby preempted.

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

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

(1) identifies the number of investigations undertaken by the Attorney General under subsection (b);

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

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

(e) DEFINITIONS.—In this Act:

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

(2) COVERED ENTITY.—The term ''covered entity'' means any entity that—

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

(B) has on the date of the enactment of this section, or establishes after the date of the enactment of this section, a relationship with an entity that establishes a relationship with a merchant for the purposes of processing credit transactions, debit transactions, or prepaid transactions.

(3) FIREARM.—The term ''firearm'' means—

(A) a ''firearm'' as such term is defined in section 921(a)(3) of title 18, United States Code;

(B) a ''shotgun'' as such term is defined in section 921(a)(5) of title 18, United States Code;

(C) a ''rifle'' as such term is defined in section 921(a)(7) of title 18, United States Code;

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

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

(F) a ''handgun'' as such term is defined in section 921(a)(30) of title 18, United States Code.

(4) FIREARMS RETAILER.—The term ''firearms retailer'' means a person, entity, or retail location physically located in the United States that is engaged in the business of selling or trading—

(A) firearms;

(B) ammunition;

(C) accessories of firearms; or

(D) components of firearms.

(5) MERCHANT CATEGORY CODE.—The term ‘‘merchant category code’’ means a multi-digit code, issued by the International Organization for Standardization, for the purposes of enabling the classification of merchants into specific categories based on the type of business, trade, or services supplied.

(6) PAYMENT CARD NETWORK.—The term ‘‘payment card network’’ means an entity that directly or through a network participant, processor, or agent provides proprietary services, infrastructure, software, or hardware used to authorize, clear and settle credit, debit, or prepaid transactions.

Passed the House of Representatives July 14, 2026.

Attest: KEVIN F. MCCUMBER,

Clerk.