

# Union Calendar No. 447

119TH CONGRESS  
2D SESSION

# H. R. 1181

[Report No. 119-522]

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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2025

Mr. MOORE of West Virginia (for himself, Mr. BARR, Mr. HUDSON, Mr. BEAN of Florida, Mr. CLINE, Mr. PERRY, Ms. VAN DUYNE, Mr. GUTHRIE, Mr. COLLINS, Mr. FINSTAD, Mr. MOORE of Alabama, Mr. WEBSTER of Florida, Mr. GUEST, Mr. RULLI, Mr. WILLIAMS of Texas, Mr. HIGGINS of Louisiana, Mr. BOST, Ms. TENNEY, Mr. SCHMIDT, Mr. MOORE of North Carolina, Mr. NEWHOUSE, Mr. COMER, Mr. WOMACK, Mr. ROSE, Mr. YAKYM, Mr. GILL of Texas, and Mr. RUTHERFORD) introduced the following bill; which was referred to the Committee on Financial Services

FEBRUARY 25, 2026

Additional sponsors: Ms. BOEBERT, Mr. MESSMER, Mr. McDOWELL, Mr. BIGGS of Arizona, Mr. ISSA, Mr. GREEN of Tennessee, Mr. BERGMAN, Mr. ARRINGTON, Mr. HUIZENGA, Mr. KENNEDY of Utah, Ms. DE LA CRUZ, Mr. WILSON of South Carolina, Mr. DESJARLAIS, Mr. CLYDE, Mr. LALOTA, Mr. GRAVES, Mr. ROGERS of Alabama, Mr. GOODEN, Mr. KUSTOFF, Mrs. HARSHBARGER, Mr. LANGWORTHY, Mr. AMODEI of Nevada, Mr. MURPHY, Mr. MOOLENAAR, Mr. CARTER of Georgia, Mr. AUSTIN SCOTT of Georgia, Mr. VAN ORDEN, Mr. GROTHMAN, Mr. VALADAO, Mr. LATTA, Mr. WEBER of Texas, Mr. NEHLS, Mrs. HINSON, Mr. WALBERG, Mr. LAMALFA, Mr. ROUZER, Mr. SESSIONS, Mr. HARRIS of Maryland, Mrs. WAGNER, Mr. BILIRAKIS, Mr. STAUBER, Mr. SCOTT FRANKLIN of Florida, Mr. MANN, Mr. EDWARDS, Mr. MOORE of Utah, Ms. LETLOW, Mr. ESTES, Mr. GOSAR, Mr. STRONG, Mr. SHREVE, Mr. FEENSTRA, Mr. SMITH of Nebraska, Mr. TIFFANY, Mr. FLEISCHMANN, Mr. CLOUD, Mr. ELLZEY, Mr. FITZGERALD, Mr. ADERHOLT, Mr. HERN of Oklahoma, Mr. PFLUGER, Mr. ZINKE, Mr. BABIN, Mr. EZELL, Mr.

BACON, Mr. MILLER of Ohio, Mr. HARRIGAN, Mr. MCGUIRE, Mr. TONY GONZALES of Texas, Mr. KELLY of Mississippi, Mr. RESCHENTHALER, Mr. CRENSHAW, Mr. HURD of Colorado, Mr. GOLDMAN of Texas, Mr. EVANS of Colorado, Mr. JACK, Mr. LOUDERMILK, Mr. HARRIS of North Carolina, Mr. BAUMGARTNER, Mr. FALLON, Ms. STEFANIK, Mr. VAN DREW, Mr. HARIDOPOLOS, Mr. STEUBE, Mr. MEUSER, Mrs. MILLER of Illinois, Mrs. McCLAIN, Mr. TIMMONS, Mr. HUNT, Mr. DOWNING, Mr. WIED, Ms. FEDORCHAK, Mr. STUTZMAN, Mr. HAMADEH of Arizona, Ms. LEE of Florida, Mr. BEGICH, Mr. FRY, Mr. JACKSON of Texas, Mrs. BIGGS of South Carolina, Mr. TAYLOR, Mr. MORAN, Mrs. FISCHBACH, Mr. PATRONIS, Mr. NUNN of Iowa, Mr. DAVIDSON, Mr. OWENS, and Mr. JOYCE of Ohio

FEBRUARY 25, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on February 11, 2025]

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## A BILL

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,*

3 **SECTION 1. SHORT TITLE.**

4        *This Act may be cited as the “Protecting Privacy in*  
5 *Purchases Act”.*

6 **SEC. 2. DISTINGUISHING FIREARM RETAILERS PROHIB-**  
7 **ITED.**

8        *(a) PROHIBITIONS RELATING TO MERCHANT CAT-*  
9 *EGORY CODES.—*

10            *(1) FOR PAYMENT CARD NETWORKS.—A pay-*  
11 *ment card network may not require—*

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

14                            *(i) is used only or primarily for fire-*  
15 *arms retailers; or*

16                            *(ii) identifies such retailer as engaged*  
17 *in the business of selling firearms, ammuni-*  
18 *tion, accessories of firearms, or components*  
19 *of firearms; or*

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

1           (2) *FOR COVERED ENTITIES.*—A covered entity  
2           may not assign to a firearms retailer any merchant  
3           category code that is used only or primarily for fire-  
4           arms retailers or that identifies such retailer as en-  
5           gaged in the business of selling firearms, ammunition,  
6           accessories of firearms, or components of firearms.

7           (b) *ENFORCEMENT.*—

8           (1) *IN GENERAL.*—The Attorney General shall  
9           enforce this section and shall, not later than 90 days  
10          after the date of the enactment of this section, estab-  
11          lish a process for individuals, including firearms re-  
12          tailers, to submit complaints relating to alleged viola-  
13          tions of this section.

14          (2) *INVESTIGATION.*—The Attorney General shall  
15          investigate any complaint received through the proc-  
16          esses established by the Attorney General under para-  
17          graph (1).

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

1 *the date on which the payment card network or cov-*  
2 *ered entity receives such notice.*

3 (4) *INJUNCTION.—*

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

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

12 (c) *PREEMPTION.—*

13 (1) *IN GENERAL.—Any law of a State or local*  
14 *government regulating the assignment, use, or disclo-*  
15 *sure of merchant category codes that are used only or*  
16 *primarily for firearms retailers or that identifies a*  
17 *retailer as engaged in the business of selling firearms,*  
18 *ammunition, accessories of firearms, or components of*  
19 *firearms is hereby preempted.*

20 (2) *LIMITATION.—Notwithstanding paragraph*  
21 *(1), nothing in this Act may be construed to prevent*  
22 *a payment card network or a covered entity from*  
23 *complying with any Federal, State, or local law or*  
24 *regulations related to dispute processing, fraud, com-*  
25 *pliance management, or protecting transaction integ-*

1        *riety from concerns related to illegal or suspicious ac-*  
2        *tivities, data breaches, or cyber risks.*

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

5                *(1) identifies the number of investigations under-*  
6        *taken by the Attorney General under subsection (b);*

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

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

11        *(e) DEFINITIONS.—In this Act:*

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

15                *(2) COVERED ENTITY.—The term “covered enti-*  
16        *ty” means any entity that—*

17                        *(A) has on the date of the enactment of this*  
18        *section, or establishes after the date of the enact-*  
19        *ment of this section, a relationship with a mer-*  
20        *chant for the purposes of processing credit, debit,*  
21        *or prepaid transactions; or*

22                        *(B) has on the date of the enactment of this*  
23        *section, or establishes after the date of the enact-*  
24        *ment of this section, a relationship with an enti-*  
25        *ty that establishes a relationship with a mer-*

1           chant for the purposes of processing credit trans-  
2           actions, debit transactions, or prepaid trans-  
3           actions.

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

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

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

9                   (C) a “rifle” as such term is defined in sec-  
10                  tion 921(a)(7) of title 18, United States Code;

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

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

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

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

24                   (A) firearms;

25                   (B) ammunition;

1                   (C) accessories of firearms; or

2                   (D) components of firearms.

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

9                   (6) *PAYMENT CARD NETWORK.*—The term “pay-  
10                  ment card network” means an entity that directly or  
11                  through a network participant, processor, or agent  
12                  provides proprietary services, infrastructure, software,  
13                  or hardware used to authorize, clear and settle credit,  
14                  debit, or prepaid transactions.



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