

119TH CONGRESS
1ST SESSION

H. R. 1868

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

MARCH 5, 2025

Mr. HILL of Arkansas (for himself, Ms. TITUS, Ms. TENNEY, and Mr. BEYER) introduced the following bill; which was referred to the Committee on Ways and Means

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 of 2025”.

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.—The period during which
12 an applicable individual was unlawfully or wrongfully
13 detained abroad, or held hostage abroad, shall be
14 disregarded in determining, under the internal rev-
15 enue laws, in respect of any tax liability of such indi-
16 vidual—

17 “(A) whether any of the acts described in
18 section 7508(a)(1) were performed within the
19 time prescribed thereof (determined without re-
20 gard to extension under any other provision of
21 this subtitle for periods after the initial date (as
22 determined by the Secretary) on which such in-
23 dividual was unlawfully or wrongfully detained
24 abroad or held hostage abroad),

1 “(B) the amount of any interest, penalty,
2 additional amount, or addition to the tax for
3 periods after such date, and

4 “(C) the amount of any credit or refund.

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

8 “(3) SPECIAL RULE FOR OVERPAYMENTS.—The
9 rules of section 7508(b) shall apply for purposes of
10 this section.

11 “(b) APPLICABLE INDIVIDUAL.—

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

15 “(A) a United States national unlawfully
16 or wrongfully detained abroad, as determined
17 under section 302 of the Robert Levinson Hos-
18 tage Recovery and Hostage-Taking Account-
19 ability Act (22 U.S.C. 1741), or

20 “(B) a United States national taken hos-
21 tage abroad, as determined pursuant to the
22 findings of the Hostage Recovery Fusion Cell
23 (as described in section 304 of the Robert
24 Levinson Hostage Recovery and Hostage-Tak-
25 ing Accountability Act (22 U.S.C. 1741b)).

1 “(2) INFORMATION PROVIDED TO TREASURY.—

2 For purposes of identifying individuals described in
3 paragraph (1), not later than January 1, 2026, and
4 annually thereafter—

5 “(A) the Secretary of State shall provide
6 the Secretary with a list of the individuals de-
7 scribed in paragraph (1)(A), as well as any
8 other information necessary to identify such in-
9 dividuals, and

10 “(B) the Attorney General, acting through
11 the Hostage Recovery Fusion Cell, shall provide
12 the Secretary with a list of the individuals de-
13 scribed in paragraph (1)(B), as well as any
14 other information necessary to identify such in-
15 dividuals.

16 “(c) MODIFICATION OF TREASURY DATABASES AND
17 INFORMATION SYSTEMS.—The Secretary shall update, as
18 necessary, any database or information system of the De-
19 partment of the Treasury in order to ensure that the pro-
20 visions of subsection (a) are applied with respect to each
21 applicable individual.

22 “(d) REFUND AND ABATEMENT OF PENALTIES AND
23 FINES IMPOSED PRIOR TO IDENTIFICATION AS APPLICA-
24 BLE INDIVIDUAL.—In the case of any applicable indi-
25 vidual—

6 “(2) who was, subsequent to such assessment
7 or collection, determined to be an individual de-
8 scribed in subparagraph (A) or (B) of subsection
9 (b)(1),

10 the Secretary shall abate any such assessment and refund
11 any amount collected to such applicable individual in the
12 same manner as any refund of an overpayment of tax
13 under section 6402.”.

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

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

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1 **SEC. 3. REFUND AND ABATEMENT OF PENALTIES AND**
 2 **FINES PAID BY ELIGIBLE INDIVIDUALS.**

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

6 “(d) REFUND AND ABATEMENT OF PENALTIES AND
 7 FINES PAID BY ELIGIBLE INDIVIDUALS.—

8 “(1) IN GENERAL.—

9 “(A) ESTABLISHMENT.—Not later than
 10 January 1, 2026, the Secretary (in consultation
 11 with the Secretary of State and the Attorney
 12 General) shall establish a program to allow any
 13 eligible individual (or the spouse or any depend-
 14 ent (as defined in section 152) of such indi-
 15 vidual) to apply for a refund or an abatement
 16 of any amount described in paragraph (2) (in-
 17 cluding interest) to the extent such amount was
 18 attributable to the applicable period.

19 “(B) IDENTIFICATION OF INDIVIDUALS.—
 20 Not later than January 1, 2026, the Secretary
 21 of State and the Attorney General, acting
 22 through the Hostage Recovery Fusion Cell (as
 23 described in section 304 of the Robert Levinson
 24 Hostage Recovery and Hostage-Taking Ac-
 25 countability Act (22 U.S.C. 1741b)), shall—

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

5 “(ii) provide the list described in
6 clause (i) to the Secretary.

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

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

19 “(ii) in the case of an individual who
20 is released after the date of enactment of
21 this subsection, not later than 90 days
22 after the date on which such individual is
23 released,

24 that such individual may be eligible for a refund
25 or an abatement of any amount described in

paragraph (2) pursuant to the program described in subparagraph (A).

“(D) AUTHORIZATION.—

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

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

“(I) the 3-year period of limitation prescribed by section 6511(a) shall be extended until the end of the 1-year period beginning on the date that the notice described in subparagraph (C) is provided to the eligible individual, and

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

“(2) ELIGIBLE INDIVIDUAL.—For purposes of this subsection, the term ‘eligible individual’ means any applicable individual who, for any taxable year ending during the applicable period, paid or incurred

1 any interest, penalty, additional amount, or addition
2 to the tax in respect to any tax liability for such
3 year of such individual based on a determination
4 that an act described in section 7508(a)(1) which
5 was not performed by the time prescribed therefor
6 (without regard to any extensions).

7 “(3) APPLICABLE PERIOD.—For purposes of
8 this subsection, the term ‘applicable period’ means
9 the period—

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

11 “(B) ending on the date of enactment of
12 this subsection.”.

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

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