I

119TH CONGRESS
1ST SESSION

H. R. 2802

To amend the Internal Revenue Code of 1986 to provide individuals a refundable credit for a portion of Federal income tax liability for 2025.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2025

Mr. VASQUEZ 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 provide individuals a refundable credit for a portion of Federal income tax liability for 2025.

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 ‘‘Tax Relief from Tariffs and High Costs Act’’.

SEC. 2. REFUNDABLE CREDIT FOR PORTION OF INDIVIDUAL FEDERAL INCOME TAX LIABILITY FOR 2025.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of

1986 is amended by adding at the end the following new section:

"SEC. 36C. CREDIT FOR PORTION OF INDIVIDUAL FEDERAL INCOME TAX LIABILITY FOR 2025.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this subtitle for any taxable beginning after December 31, 2024, and before January 1, 2026, an amount equal to 10 percent of the taxpayer's Federal income tax liability for such taxable year.

"(b) LIMITATION BASED ON MODIFIED ADJUSTED GROSS INCOME.—Subsection (a) shall not apply to any taxpayer for any taxable year if the taxpayer's modified adjusted gross income (as defined in section 36(b)(2)(B)) exceeds $100,000 ($200,000 in the case of a joint return).

"(c) FEDERAL INCOME TAX LIABILITY.—For purposes of this section, the term 'Federal income tax liability' means the excess (if any) of—

"(1) the sum of the amounts described in paragraphs (1) and (2) of section 26(a), over

"(2) the sum of the credits allowed under subpart A of this part.".

(b) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) of the Internal Revenue Code of 1986 is amended by inserting "36C," after "36B,".

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting "36C," after "36B,".

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 36B the following new item:

"Sec. 36C. Credit for portion of individual Federal income tax liability for 2025.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2024.

○