

119TH CONGRESS
2D SESSION

H. R. 7450

To amend the Internal Revenue Code of 1986 to allow a portion of general business credit carryforwards to be transferred by certain taxpayers affected by federally declared disasters and other incidents.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2026

Mr. STEUBE (for himself, Mr. MURPHY, Mr. BUCHANAN, Ms. DELBENE, Ms. SEWELL, Mr. HUDSON, Mr. EDWARDS, Mr. SOTO, Mr. MOSKOWITZ, and Mr. HARRIGAN) 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 allow a portion of general business credit carryforwards to be transferred by certain taxpayers affected by federally declared disasters and other incidents.

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 “Disaster Zone Energy
5 Affordability and Investment Act”.

1 **SEC. 2. CERTAIN CARRYFORWARDS OF GENERAL BUSINESS**
 2 **CREDIT TREATED AS TRANSFERRABLE CRED-**
 3 **ITS FOR TAXPAYERS AFFECTED BY CERTAIN**
 4 **DISASTERS.**

5 (a) IN GENERAL.—Section 6418(f)(1)(A) of the In-
 6 ternal Revenue Code of 1986 is amended by adding at the
 7 end the following new clause:

8 “(xiii) so much of the amount of the
 9 applicable general business credit
 10 carryforwards as does not exceed the eligi-
 11 ble expenditures made by the taxpayer dur-
 12 ing the taxable year.”.

13 (b) APPLICABLE GENERAL BUSINESS CREDIT
 14 CARRYFORWARDS.—Section 6418(f) of such Code is
 15 amended by adding at the end the following new para-
 16 graph:

17 “(3) DEFINITIONS AND RULES RELATED TO AP-
 18 PPLICABLE GENERAL BUSINESS CREDIT
 19 CARRYFORWARDS.—For purposes of paragraph
 20 (1)(A)(xiii)—

21 “(A) IN GENERAL.—The term ‘applicable
 22 general business credit carryforwards’ means,
 23 with respect to any taxable year, the sum of the
 24 amounts described in section 38(a)(1) which—

25 “(i) are carried to any taxable year
 26 beginning after December 31, 2023, and

1 “(ii) attributable to any credit de-
2 scribed in clauses (ii) and (ix) of subpara-
3 graph (A).

4 “(B) ELIGIBLE EXPENDITURES.—

5 “(i) IN GENERAL.—The term ‘eligible
6 expenditures’ means amounts paid or in-
7 curred by the taxpayer—

8 “(I) for the purpose of carrying
9 out a trade or business in a qualified
10 disaster area, and

11 “(II) on or before the last day of
12 the second calendar year following the
13 calendar year in which the declaration
14 or determination described in clause
15 (ii) with respect to such qualified dis-
16 aster area was made.

17 “(ii) QUALIFIED DISASTER AREA.—
18 The term ‘qualified disaster area’ means—

19 “(I) any area with respect to
20 which a major disaster was declared
21 after December 31, 2023, by the
22 President under section 401 of the
23 Robert T. Stafford Disaster Relief
24 and Emergency Assistance Act, or

1 “(II) any area which is deter-
 2 mined by the Governor of a State to
 3 be an area affected by a State de-
 4 clared disaster (as defined in section
 5 165(h)(5)(C) of the Internal Revenue
 6 Code of 1986 (as added by Public
 7 Law 119–21)) if the incident giving
 8 rise to the State declared disaster oc-
 9 curred after December 31, 2023.

10 “(C) APPLICATION TO CONSOLIDATED
 11 GROUPS.—All members of an affiliated group
 12 filing a consolidated return shall be treated as
 13 one taxpayer.”.

14 (c) CONFORMING AMENDMENT.—Section
 15 6418(f)(1)(C) of such Code is amended by striking “The
 16 term” and inserting “Except as provided in paragraph
 17 (1)(A)(xiii), the term”.

18 (d) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to taxable years ending after the
 20 date of the enactment of this Act.

21 (e) SPECIAL RULE.—Notwithstanding section
 22 6418(g)(1) of the Internal Revenue Code of 1986, the Sec-
 23 retary of the Treasury (or the Secretary’s delegate) shall
 24 not require registration with respect to the portion of any
 25 applicable general business credit carryforwards (as de-

1 fined in section 6418(f)(3) of such Code, as added by this
2 section) which relates to a taxable year beginning with or
3 before the taxable year that the online registration tool
4 for such registration has been updated to account for the
5 provisions of this section.

○