

119TH CONGRESS
2D SESSION

H. R. 7646

To direct the Secretary of the United States Department of the Treasury to refund American consumers for increased costs resulting from tariffs imposed without congressional authorization, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 2026

Ms. CROCKETT introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To direct the Secretary of the United States Department of the Treasury to refund American consumers for increased costs resulting from tariffs imposed without congressional authorization, 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 “Payback Act”.

5 **SEC. 2. CONGRESSIONAL FINDINGS.**

6 Congress finds the following:

7 (1) In *Learning Resources, Inc. v. Trump*, the
8 Supreme Court of the United States clarified that

1 although the International Emergency Economic
2 Powers Act authorizes the President to exercise cer-
3 tain economic authorities during a bona fide national
4 emergency, that statute does not confer authority to
5 impose tariffs absent clear and express congressional
6 authorization; in so holding, the Court reaffirmed
7 that article I, section 8 of the Constitution vests ex-
8 clusively in Congress the power to lay and collect du-
9 ties and tariffs, and that such legislative authority
10 may not be exercised by the executive branch solely
11 by virtue of an emergency declaration.

12 (2) The Constitution establishes a deliberate
13 separation of powers, vesting in Congress alone the
14 authority to lay and collect taxes, duties, imposts,
15 and excises under article I, section 8; allowing the
16 executive branch to unilaterally impose tariffs absent
17 explicit congressional authorization would improperly
18 transfer core legislative power to the Presidency,
19 erode democratic accountability, and undermine the
20 foundational principle that laws affecting the eco-
21 nomic lives of Americans must originate with the
22 people's elected representatives.

23 (3) These unlawful tariffs resulted in billions of
24 dollars in collections by the Federal Government and
25 materially increased the prices of goods for Amer-

1 ican consumers, functioning as a regressive tax that
2 disproportionately burdened working families, sen-
3 iors, and small businesses.

4 (4) American consumers bore the direct finan-
5 cial consequences of these actions through higher
6 costs on everyday necessities, without meaningful
7 notice, representation, or recourse, and shall be
8 made whole through a transparent and congression-
9 ally directed refund process administered by the
10 Federal Government.

11 **SEC. 3. DEFINITIONS.**

12 In this Act:

13 (1) COVERED TARIFFS.—The term “covered
14 tariffs” means any duties or fees imposed pursuant
15 to Presidential proclamations or Executive orders
16 under the International Emergency Economic Pow-
17 ers Act that were subsequently determined to lack
18 congressional authorization.

19 **SEC. 4. ESTABLISHMENT OF CONSUMER REFUND FOR-**
20 **MULA.**

21 (a) Not later than 120 days after enactment of this
22 Act, the Secretary of the Treasury shall develop and pub-
23 lish a formula to calculate refunds to American consumers
24 for amounts paid that were attributable to covered tariffs.

25 (b) The refund formula shall—

1 (1) quantify total consumer cost increases tied
2 to covered tariffs using data from U.S. Customs and
3 Border Protection, the Bureau of Economic Anal-
4 ysis, and other relevant Federal datasets;

5 (2) estimate pass-through effects from import-
6 ers, distributors, and retailers to end consumers; and

7 (3) incorporate equitable adjustments based on
8 household income and geographic disparities.

9 (c) CONSULTATION.—In developing the formula, the
10 Secretary shall consult with the Bureau of Economic Anal-
11 ysis, the Internal Revenue Service, the Federal Reserve
12 Board, and independent economists with expertise in trade
13 policy and consumer pricing.

14 **SEC. 5. DISTRIBUTION OF REFUNDS.**

15 (a) To the maximum extent practicable, refunds shall
16 be issued automatically using existing Treasury and Inter-
17 nal Revenue Service payment systems, including direct de-
18 posit or refundable tax credits.

19 (b) For individuals not captured through existing sys-
20 tems, the Secretary shall establish a streamlined applica-
21 tion process requiring minimal documentation.

22 **SEC. 6. REPORT TO CONGRESS AND OVERSIGHT.**

23 Not later than 180 days after enactment, the Sec-
24 retary shall submit a report to Congress detailing the fi-
25 nalized refund formula, total anticipated refund obliga-

1 tions, and projected distribution timelines. The Govern-
2 ment Accountability Office shall review the implementa-
3 tion of this Act and submit findings to Congress not later
4 than one year after refunds commence.

○