

119TH CONGRESS
2D SESSION

H. R. 9353

To amend the Internal Revenue Code of 1986 to exempt qualified religious institutions from the excise tax on investment income.

IN THE HOUSE OF REPRESENTATIVES

JUNE 18, 2026

Mr. KELLY of Pennsylvania (for himself and Mr. BOYLE of Pennsylvania) 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 exempt qualified religious institutions from the excise tax on investment income.

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. EXEMPTION OF QUALIFIED RELIGIOUS INSTI-**
4 **TUTIONS FROM EXCISE TAX ON INVESTMENT**
5 **INCOME.**

6 (a) IN GENERAL.—Section 4968(c) of the Internal
7 Revenue Code of 1986 is amended by striking “and” at
8 the end of paragraph (3), by striking the period at the

1 end of paragraph (4) and inserting “, and”, and by adding
2 at the end the following new paragraph:

3 “(5) which is not a qualified religious institu-
4 tion.”.

5 (b) QUALIFIED RELIGIOUS INSTITUTION.—Section
6 4968 of such Code is amended by redesignating subsection
7 (h) as subsection (i) and by inserting after subsection (g)
8 the following new subsection:

9 “(h) QUALIFIED RELIGIOUS INSTITUTION.—For pur-
10 poses of subsection (c)(5), the term ‘qualified religious in-
11 stitution’ means any institution—

12 “(1) which was established after July 4, 1776,

13 “(2) which was established by or in association
14 with an organization described in section
15 170(b)(1)(A)(i),

16 “(3) which—

17 “(A) has at least 25 percent of the mem-
18 bers of its highest governing body as being ei-
19 ther—

20 “(i) appointed or approved by such or-
21 ganization, or

22 “(ii) required under the governing
23 documents of the institution to be clerical
24 members of such organization,

1 “(B) is party to a formal written agree-
2 ment with such organization that expressly ac-
3 knowledges the institution’s historical and ongo-
4 ing relationship with the organization, and sets
5 forth shared commitments relating to institu-
6 tional mission, values, or engagement with the
7 religious traditions of the organization, or

8 “(C) is formally designated as a religious
9 institution by the governing body of such orga-
10 nization based on an evaluation of the institu-
11 tion’s alignment with the organization’s reli-
12 gious identity, values, or educational mission,
13 and

14 “(4) which maintains a published institutional
15 mission which is approved by the governing body of
16 such institution and which includes, refers to, or is
17 predicated upon religious tenets, beliefs, or teach-
18 ings.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 subsections (a) and (b) shall apply to taxable years begin-
21 ning after December 31, 2025.

22 (d) REGULATORY DEADLINE.—Not later than De-
23 cember 31, 2026, the Secretary of the Treasury shall pre-
24 scribe such regulations or other guidance as may be nec-

- 1 essary or appropriate to carry out the purposes of the
- 2 amendments made by subsections (a) and (b).

