

119TH CONGRESS
2D SESSION

H. R. 9383

To amend the Internal Revenue Code of 1986 to provide special rules with respect to the net operating losses of certain financial institutions.

IN THE HOUSE OF REPRESENTATIVES

JUNE 22, 2026

Mr. CAREY (for himself, Ms. MOORE of Wisconsin, Ms. TENNEY, Ms. SEWELL, Mr. MORAN, Ms. DELBENE, Mr. YAKYM, Mr. BEYER, Mr. MILLER of Ohio, and Mr. HORSFORD) 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 special rules with respect to the net operating losses of certain financial institutions.

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 “Small Business and
5 Consumer Credit Act of 2026”.

6 **SECTION 1. NET OPERATING LOSSES OF CERTAIN FINAN-**
7 **CIAL INSTITUTIONS.**

8 (a) IN GENERAL.—Section 172(b)(1) of the Internal
9 Revenue Code of 1986 is amended by redesignating sub-

1 paragraph (D) as subparagraph (E) and inserting after
2 subparagraph (C) the following new subparagraph:

3 “(D) CERTAIN FINANCIAL INSTITU-
4 TIONS.—

5 “(i) 2027.—In the case of any speci-
6 fied financial institution which elects the
7 application of this clause for any taxable
8 year beginning after December 31, 2026,
9 and before January 1, 2028, the net oper-
10 ating loss for such taxable year shall be a
11 net operating loss carryover to each of the
12 20 taxable years following the taxable year
13 of the loss.

14 “(ii) 2028.—In the case of any speci-
15 fied financial institution which elects the
16 application of this clause for any taxable
17 year beginning after December 31, 2027,
18 and before January 1, 2029, the net oper-
19 ating loss for such taxable year—

20 “(I) shall be a net operating loss
21 carryback to the taxable year pre-
22 ceding the taxable year of the loss,
23 and

24 “(II) shall be a net operating loss
25 carryover to each of the 20 taxable

1 years following the taxable year of the
2 loss.

3 “(iii) 2029 AND THEREAFTER.—In
4 the case of any specified financial institu-
5 tion which elects the application of this
6 clause for any taxable years beginning
7 after December 31, 2028, the net oper-
8 ating loss for such taxable year—

9 “(I) shall be a net operating loss
10 carryback to each of the 2 taxable
11 years preceding the taxable year of
12 the loss, and

13 “(II) shall be a net operating loss
14 carryover to each of the 20 taxable
15 years following the taxable year of the
16 loss.

17 “(iv) SPECIFIED FINANCIAL INSTITU-
18 TION.—For purposes of this subparagraph,
19 the term ‘specified financial institution’
20 means—

21 “(I) any bank (as defined in sec-
22 tion 581) that is not a member of an
23 affiliated group (as defined in section
24 1504(a)(1)),

1 “(II) any member of an affiliated
2 group (as so defined in section
3 1504(a)(1)) that includes one or more
4 banks (as defined in section 581) that
5 are not described in section
6 2(c)(2)(H) of the Bank Holding Com-
7 pany Act of 1956 (12 U.S.C.
8 1841(e)(2)(H)), and

9 “(III) any bank within the mean-
10 ing of section 585(a)(2)(B).

11 “(v) ELECTIONS.—Any election under
12 this subparagraph—

13 “(I) shall be made in such man-
14 ner as the Secretary may prescribe,

15 “(II) shall be made not later
16 than the due date of the taxpayer’s
17 return of tax for the taxable year of
18 the net operating loss to which such
19 election relates, and

20 “(III) once made for any taxable
21 year, shall be irrevocable for such tax-
22 able year.”.

23 (b) CONFORMING AMENDMENTS.—

1 (1) Section 172(b)(1)(A)(i) of such Code is
2 amended by striking “and (D)” and inserting
3 “(D)(ii)(I), (D)(iii)(I), and (E)”.

4 (2) Section 172(b)(1)(A)(ii) of such Code is
5 amended by inserting “(D)(i), (D)(ii)(II), and
6 (D)(iii)(II),” after “(C)(ii),”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to net operating losses arising in
9 taxable years beginning after December 31, 2026.

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