

118TH CONGRESS
2D SESSION

S. 4057

To amend the Internal Revenue Code of 1986 to postpone tax deadlines and reimburse paid late fees for United States nationals who are unlawfully or wrongfully detained or held hostage abroad, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 22, 2024

Mr. COONS (for himself, Mr. ROUNDS, Mr. WYDEN, Mr. TILLIS, Mr. CARDIN, and Mr. CASSIDY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to postpone tax deadlines and reimburse paid late fees for United States nationals who are unlawfully or wrongfully detained or held hostage abroad, 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 “Stop Tax Penalties
5 on American Hostages Act of 2024”.

1 **SEC. 2. POSTPONEMENT OF TAX DEADLINES FOR HOS-**
2 **TAGES AND INDIVIDUALS WRONGFULLY DE-**
3 **TAINED ABROAD.**

4 (a) IN GENERAL.—Chapter 77 of the Internal Rev-
5 enue Code of 1986 is amended by inserting after section
6 7510 the following new section:

7 **“SEC. 7511. TIME FOR PERFORMING CERTAIN ACTS POST-**
8 **PONED FOR HOSTAGES AND INDIVIDUALS**
9 **WRONGFULLY DETAINED ABROAD.**

10 “(a) TIME TO BE DISREGARDED.—

11 “(1) IN GENERAL.—The period during which
12 an applicable individual was unlawfully or wrongfully
13 detained abroad, or held hostage abroad, shall be
14 disregarded in determining, under the internal rev-
15 enue laws, in respect of any tax liability of such indi-
16 vidual—

17 “(A) whether any of the acts described in
18 section 7508(a)(1) were performed within the
19 time prescribed thereof (determined without re-
20 gard to extension under any other provision of
21 this subtitle for periods after the initial date (as
22 determined by the Secretary) on which such in-
23 dividual was unlawfully or wrongfully detained
24 abroad or held hostage abroad),

1 “(B) the amount of any interest, penalty,
2 additional amount, or addition to the tax for
3 periods after such date, and

4 “(C) the amount of any credit or refund.

5 “(2) APPLICATION TO SPOUSE.—The provisions
6 of paragraph (1) shall apply to the spouse of any in-
7 dividual entitled to the benefits of such paragraph.

8 “(b) APPLICABLE INDIVIDUAL.—

9 “(1) IN GENERAL.—For purposes of this sec-
10 tion, the term ‘applicable individual’ means any indi-
11 vidual who is—

12 “(A) a United States national unlawfully
13 or wrongfully detained abroad, as determined
14 under section 302 of the Robert Levinson Hos-
15 tage Recovery and Hostage-Taking Account-
16 ability Act (22 U.S.C. 1741), or

17 “(B) a United States national taken hos-
18 tage abroad, as determined pursuant to the
19 findings of the Hostage Recovery Fusion Cell
20 (as described in section 304 of the Robert
21 Levinson Hostage Recovery and Hostage-Tak-
22 ing Accountability Act (22 U.S.C. 1741b)).

23 “(2) INFORMATION PROVIDED TO TREASURY.—
24 For purposes of identifying individuals described in

1 paragraph (1), not later than January 1, 2025, and
2 annually thereafter—

3 “(A) the Secretary of State shall provide
4 the Secretary with a list of the individuals de-
5 scribed in paragraph (1)(A), as well as any
6 other information necessary to identify such in-
7 dividuals, and

8 “(B) the Attorney General, acting through
9 the Hostage Recovery Fusion Cell, shall provide
10 the Secretary with a list of the individuals de-
11 scribed in paragraph (1)(B), as well as any
12 other information necessary to identify such in-
13 dividuals.

14 “(c) REFUND AND ABATEMENT OF PENALTIES AND
15 FINES IMPOSED PRIOR TO IDENTIFICATION AS APPLICA-
16 BLE INDIVIDUAL.—In the case of any applicable indi-
17 vidual—

18 “(1) for whom any interest, penalty, additional
19 amount, or addition to the tax in respect to any tax
20 liability for any taxable year ending during the pe-
21 riod described in subsection (a)(1) was assessed or
22 collected, and

23 “(2) who was, subsequent to such assessment
24 or collection, determined to be an individual de-

1 scribed in subparagraph (A) or (B) of subsection
2 (b)(1),
3 the Secretary shall abate any such assessment and refund
4 any amount collected to such applicable individual in the
5 same manner as any refund of an overpayment of tax
6 under section 6402.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for chapter 77 of the Internal Revenue Code of 1986 is
9 amended by inserting after the item relating to section
10 7510 the following new item:

“Sec. 7511. Time for performing certain acts postponed for hostages and individuals wrongfully detained abroad.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years ending after the
13 date of enactment of this Act.

14 **SEC. 3. REFUND AND ABATEMENT OF PENALTIES AND**
15 **FINES PAID BY ELIGIBLE INDIVIDUALS.**

16 (a) IN GENERAL.—Section 7511 of the Internal Rev-
17 enue Code of 1986, as added by section 2, is amended
18 by adding at the end the following new subsection:

19 “(d) REFUND AND ABATEMENT OF PENALTIES AND
20 FINES PAID BY ELIGIBLE INDIVIDUALS.—

21 “(1) IN GENERAL.—

22 “(A) ESTABLISHMENT.—Not later than
23 January 1, 2025, the Secretary (in consultation
24 with the Secretary of State and the Attorney

1 General) shall establish a program to allow any
2 eligible individual (or the spouse or any depend-
3 ent (as defined in section 152) of such indi-
4 vidual) to apply for a refund or an abatement
5 of any amount described in paragraph (2) (in-
6 cluding interest) to the extent such amount was
7 attributable to the applicable period.

8 “(B) IDENTIFICATION OF INDIVIDUALS.—

9 Not later than January 1, 2025, the Secretary
10 of State and the Attorney General, acting
11 through the Hostage Recovery Fusion Cell (as
12 described in section 304 of the Robert Levinson
13 Hostage Recovery and Hostage-Taking Ac-
14 countability Act (22 U.S.C. 1741b)), shall—

15 “(i) compile a list, based on such in-
16 formation as is available, of individuals
17 who were applicable individuals during the
18 applicable period, and

19 “(ii) provide the list described in
20 clause (i) to the Secretary.

21 “(C) NOTICE.—For purposes of carrying
22 out the program described in subparagraph (A),
23 the Secretary (in consultation with the Sec-
24 retary of State and the Attorney General) shall,
25 with respect to any individual identified under

1 subparagraph (B), provide notice to such indi-
2 vidual—

3 “(i) in the case of an individual who
4 has been released on or before the date of
5 enactment of this subsection, not later
6 than 90 days after the date of enactment
7 of this subsection, or

8 “(ii) in the case of an individual who
9 is released after the date of enactment of
10 this subsection, not later than 90 days
11 after the date on which such individual is
12 released,

13 that such individual may be eligible for a refund
14 or an abatement of any amount described in
15 paragraph (2) pursuant to the program de-
16 scribed in subparagraph (A).

17 “(D) AUTHORIZATION.—

18 “(i) IN GENERAL.—Subject to clause
19 (ii), in the case of any refund described in
20 subparagraph (A), the Secretary shall
21 issue such refund to the eligible individual
22 in the same manner as any refund of an
23 overpayment of tax.

1 “(ii) EXTENSION OF LIMITATION ON
2 TIME FOR REFUND.—With respect to any
3 refund under subparagraph (A)—

4 “(I) the 3-year period of limita-
5 tion prescribed by section 6511(a)
6 shall be extended until the end of the
7 1-year period beginning on the date
8 that the notice described in subpara-
9 graph (C) is provided to the eligible
10 individual, and

11 “(II) any limitation under section
12 6511(b)(2) shall not apply.

13 “(2) ELIGIBLE INDIVIDUAL.—For purposes of
14 this subsection, the term ‘eligible individual’ means
15 any applicable individual who, for any taxable year
16 ending during the applicable period, paid or incurred
17 any interest, penalty, additional amount, or addition
18 to the tax in respect to any tax liability for such
19 year of such individual based on a determination
20 that an act described in section 7508(a)(1) which
21 was not performed by the time prescribed therefor
22 (without regard to any extensions).

23 “(3) APPLICABLE PERIOD.—For purposes of
24 this subsection, the term ‘applicable period’ means
25 the period—

1 “(A) beginning on January 1, 2021, and

2 “(B) ending on the date of enactment of

3 this subsection.”.

4 (b) EFFECTIVE DATE.—The amendment made by

5 this section shall apply to taxable years ending on or be-

6 fore the date of enactment of this Act.

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