

118TH CONGRESS
1ST SESSION

S. 413

To amend the Internal Revenue Code of 1986 to increase the rate of the excise tax on the repurchase of corporate stock, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 14, 2023

Mr. BROWN (for himself, Mr. WYDEN, Mr. SCHATZ, Mr. VAN HOLLEN, Mr. REED, Mr. LUJÁN, and Ms. BALDWIN) 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 increase the rate of the excise tax on the repurchase of corporate stock, 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 “Stock Buyback Ac-
5 countability Act of 2023”.

1 **SEC. 2. MODIFICATIONS TO TAX ON REPURCHASE OF COR-**
2 **PORATE STOCK.**

3 (a) INCREASE IN RATE OF TAX.—Section 4501(a) of
4 the Internal Revenue Code of 1986 is amended by striking
5 “1 percent” and inserting “4 percent”.

6 (b) MODIFICATION OF ADJUSTMENTS.—Section
7 4501(c)(3) of the Internal Revenue Code of 1986 is
8 amended—

9 (1) by striking “The amount” and inserting the
10 following:

11 “(A) IN GENERAL.—The amount”, and

12 (2) by adding at the end the following new sub-
13 paragraph:

14 “(B) EXCEPTION FOR STOCK ISSUED TO
15 COVERED EMPLOYEES.—Subparagraph (A)
16 shall not apply to so much of the fair market
17 value of any stock issued or provided to an em-
18 ployee who is a covered employee (within the
19 meaning of section 162(m)(3)).”.

20 (c) EFFECTIVE DATE.—

21 (1) RATE.—The amendment made by sub-
22 section (a) shall apply to repurchases (within
23 the meaning of section 4501(c) of the Internal Rev-
24 enue Code of 1986) of stock after the date of the
25 enactment of this Act.

1 (2) ADJUSTMENTS.—The amendments made by
2 subsection (b) shall apply to stock issued or provided
3 after the date of the enactment of this Act, in tax-
4 able years ending after such date.

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