

118TH CONGRESS
1ST SESSION

S. 1679

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

MAY 18, 2023

Mr. COONS (for himself and Mr. ROUNDS) 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”.

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) IN GENERAL.—Any applicable individual shall
 11 be entitled to the benefits of section 7508 in the same
 12 manner as if such individual was performing services de-
 13 scribed in subsection (a) of such section for any period
 14 in which such individual was—

15 “(1) unlawfully or wrongfully detained abroad,

16 or

17 “(2) held hostage abroad.

18 “(b) APPLICABLE INDIVIDUAL.—

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

22 “(A) included on the list of United States
 23 nationals unlawfully or wrongfully detained that
 24 is included in the annual report required under
 25 section 302(c) of the Robert Levinson Hostage

1 Recovery and Hostage-Taking Accountability
2 Act (22 U.S.C. 1741(c)), or

3 “(B) a United States national taken hos-
4 tage abroad, as determined in a manner con-
5 sistent with the findings of the Hostage Recov-
6 ery Fusion Cell (as described in section 304 of
7 the Robert Levinson Hostage Recovery and
8 Hostage-Taking Accountability Act (22 U.S.C.
9 1741b)).

10 “(2) INFORMATION PROVIDED TO TREASURY.—
11 For purposes of identifying individuals described in
12 paragraph (1), not later than January 1, 2024, and
13 annually thereafter—

14 “(A) the Secretary of State shall provide
15 the Secretary with the report described in para-
16 graph (1)(A), as well as any other information
17 necessary to identify the individuals described
18 in such report, and

19 “(B) the Attorney General, acting through
20 the Hostage Recovery Fusion Cell, shall provide
21 the Secretary with a list of the individuals de-
22 scribed in paragraph (1)(B), as well as any
23 other information necessary to identify such in-
24 dividuals.

1 “(c) APPLICATION TO SPOUSE.—The provisions of
2 this section shall apply to the spouse of any individual en-
3 titled to the benefits of subsection (a).”.

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

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

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

11 **SEC. 3. REIMBURSEMENT AND ABATEMENT OF PENALTIES**
12 **AND FINES PAID BY ELIGIBLE INDIVIDUALS.**

13 (a) IN GENERAL.—

14 (1) ESTABLISHMENT.—Not later than January
15 1, 2024, the Secretary (in consultation with the Sec-
16 retary of State and the Attorney General) shall es-
17 tablish a program to allow any eligible individual (or
18 the spouse or any dependent (as defined in section
19 152 of the Internal Revenue Code of 1986) of such
20 individual) to apply for reimbursement or abatement
21 of any amount described in subsection (b) (including
22 interest) to the extent such amount was attributable
23 to the applicable period.

1 (2) NOTICE.—For purposes of carrying out the
2 program described in paragraph (1), the Secretary
3 (in consultation with the Secretary of State and the
4 Attorney General) shall, with respect to any indi-
5 vidual identified under subsection (c), provide notice
6 to such individual—

7 (A) in the case of an individual who has
8 been released on or before the date of enact-
9 ment of this Act, not later than 90 days after
10 the date of enactment of this Act; or

11 (B) in the case of an individual who is re-
12 leased after the date of enactment of this Act,
13 not later than 90 days after the date on which
14 such individual is released,

15 that such individual may be eligible for reimburse-
16 ment of any amount described in subsection (b) pur-
17 suant to the program described in paragraph (1).

18 (3) AUTHORIZATION.—

19 (A) IN GENERAL.—Subject to subpara-
20 graph (B), in the case of any reimbursement
21 described in paragraph (1), the Secretary shall
22 issue such reimbursement to the eligible indi-
23 vidual in the same manner as any refund of an
24 overpayment of tax.

1 (B) EXTENSION OF LIMITATION ON TIME
 2 FOR REIMBURSEMENT.—With respect to any
 3 reimbursement under paragraph (1)—

- 4 (i) the 3-year period of limitation pre-
 5 scribed by section 6511(a) of the Internal
 6 Revenue Code of 1986 shall not expire be-
 7 fore the date which is 1 year after the date
 8 the notice described in paragraph (2) is
 9 provided to the eligible individual; and
 10 (ii) any limitation under section
 11 6511(b)(2) of such Code shall not apply.

12 (b) ELIGIBLE INDIVIDUAL.—For purposes of this
 13 section, the term “eligible individual” means any applica-
 14 ble individual (as defined in section 7511(b)(1) of the In-
 15 ternal Revenue Code of 1986) who, for any taxable year
 16 ending during the applicable period, paid or incurred any
 17 interest, penalty, additional amount, or addition to the tax
 18 in respect to any tax liability for such year of such indi-
 19 vidual based on a determination that an act described in
 20 paragraph (1) of section 7508(a) of the Internal Revenue
 21 Code of 1986 which was not performed by the time pre-
 22 scribed therefor (without regard to any extensions).

23 (c) IDENTIFICATION OF INDIVIDUALS.—Not later
 24 than January 1, 2024, the Secretary of State and the At-
 25 torney General, acting through the Hostage Recovery Fu-

1 sion Cell (as described in section 304 of the Robert
 2 Levinson Hostage Recovery and Hostage-Taking Account-
 3 ability Act (22 U.S.C. 1741b)), shall—

4 (1) compile a list, based on such information as
 5 is available, of United States nationals who, during
 6 the applicable period—

7 (A) were included on the list described in
 8 section 7511(b)(1)(A) of the Internal Revenue
 9 Code of 1986; or

10 (B) the Attorney General determined,
 11 based on credible information, were taken hos-
 12 tage abroad; and

13 (2) provide the list described in paragraph (1)
 14 to the Secretary.

15 (d) APPLICABLE PERIOD.—For purposes of this sec-
 16 tion, the term “applicable period” means the period—

17 (1) beginning on January 1, 2021; and

18 (2) ending on the date of enactment of this Act.

19 (e) SECRETARY.—For purposes of this section, the
 20 term “Secretary” means the Secretary of the Treasury or
 21 the Secretary’s delegate.

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