

119TH CONGRESS
1ST SESSION

H. R. 2802

To amend the Internal Revenue Code of 1986 to provide individuals a refundable credit for a portion of Federal income tax liability for 2025.

IN THE HOUSE OF REPRESENTATIVES

APRIL 9, 2025

Mr. VASQUEZ 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 individuals a refundable credit for a portion of Federal income tax liability for 2025.

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 “Tax Relief from Tariffs
5 and High Costs Act”.

6 **SEC. 2. REFUNDABLE CREDIT FOR PORTION OF INDI-**
7 **VIDUAL FEDERAL INCOME TAX LIABILITY**
8 **FOR 2025.**

9 (a) IN GENERAL.—Subpart C of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
 2 section:

3 **“SEC. 36C. CREDIT FOR PORTION OF INDIVIDUAL FEDERAL**
 4 **INCOME TAX LIABILITY FOR 2025.**

5 “(a) IN GENERAL.—In the case of an individual,
 6 there shall be allowed as a credit against the tax imposed
 7 by this subtitle for any taxable beginning after December
 8 31, 2024, and before January 1, 2026, an amount equal
 9 to 10 percent of the taxpayer’s Federal income tax liability
 10 for such taxable year.

11 “(b) LIMITATION BASED ON MODIFIED ADJUSTED
 12 GROSS INCOME.—Subsection (a) shall not apply to any
 13 taxpayer for any taxable year if the taxpayer’s modified
 14 adjusted gross income (as defined in section 36(b)(2)(B))
 15 exceeds \$100,000 (\$200,000 in the case of a joint return).

16 “(c) FEDERAL INCOME TAX LIABILITY.—For pur-
 17 poses of this section, the term ‘Federal income tax liabil-
 18 ity’ means the excess (if any) of—

19 “(1) the sum of the amounts described in para-
 20 graphs (1) and (2) of section 26(a), over

21 “(2) the sum of the credits allowed under sub-
 22 part A of this part.”.

23 (b) CONFORMING AMENDMENTS.—

1 (1) Section 6211(b)(4)(A) of the Internal Rev-
2 enue Code of 1986 is amended by inserting “36C,”
3 after “36B,”.

4 (2) Paragraph (2) of section 1324(b) of title
5 31, United States Code, is amended by inserting
6 “36C,” after “36B,”.

7 (3) The table of sections for subpart C of part
8 IV of subchapter A of chapter 1 of the Internal Rev-
9 enue Code of 1986 is amended by inserting after the
10 item relating to section 36B the following new item:

“Sec. 36C. Credit for portion of individual Federal income tax liability for
2025.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2024.

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