

119TH CONGRESS
2D SESSION

S. _____

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

Mr. SCHUMER (for himself, Mr. WYDEN, and Ms. WARREN) introduced the following bill; which was read twice and referred to the Committee on

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 2026”.

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 CERTAIN PERSONS.—Subparagraph (A) shall
16 not apply to so much of the fair market value
17 of any stock issued or provided to—

18 “(i) an employee who is a covered em-
19 ployee (within the meaning of section
20 162(m)(3)) or a specified covered employee
21 (within the meaning of section
22 162(m)(7)(C)), or

23 “(ii) a person (other than an employee
24 described in clause (i)) who receives remu-
25 neration (within the meaning of section
26 162(m)(4)) during any taxable year of the

1 covered corporation beginning after De-
2 cember 31, 2025, in excess of \$1,000,000
3 for services performed by such person for
4 such covered corporation or any specified
5 affiliate of such covered corporation.”.

6 (c) EFFECTIVE DATE.—

7 (1) RATE.—

8 (A) IN GENERAL.—The amendment made
9 by subsection (a) section shall apply to repur-
10 chases (within the meaning of section 4501(c)
11 of the Internal Revenue Code of 1986) of stock
12 after the date of the enactment of this Act.

13 (B) SPECIAL RULE.—For purposes of ap-
14 plying section 4501(c)(3) of the Internal Rev-
15 enue Code to any taxable year which includes
16 the date of the enactment of this Act, the
17 amount of the reduction determined under such
18 section for such taxable year shall be applied—

19 (i) by reducing stock repurchased on
20 or before such date of enactment in the
21 amount which bears the same ratio to the
22 total amount of the reduction so deter-
23 mined for such taxable year as—

1 (I) the number of days in the
2 taxable year on or before such date of
3 enactment, bears to

4 (II) the total number of days in
5 such taxable year, and

6 (ii) by reducing stock repurchased
7 after such date of the enactment by the ex-
8 cess (if any) of the total amount of the re-
9 duction so determined for such taxable
10 year over the amount of the reduction de-
11 termined under clause (i).

12 (2) ADJUSTMENTS.—The amendments made by
13 subsection (b) shall apply to stock issued or provided
14 in taxable years ending more than 90 days after the
15 date of the enactment of this Act.