

118TH CONGRESS  
2D SESSION

# H. R. 7400

To amend the Internal Revenue Code of 1986 to provide individuals a refundable credit for a portion of Federal income tax liability for 2024.

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IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2024

Mr. VASQUEZ introduced the following bill; which was referred to the Committee on Ways and Means

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## 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 2024.

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 “Inflation Relief Act”.

5 **SEC. 2. REFUNDABLE CREDIT FOR PORTION OF INDI-**  
6 **VIDUAL FEDERAL INCOME TAX LIABILITY**  
7 **FOR 2024.**

8 (a) IN GENERAL.—Subpart C of part IV of sub-  
9 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 2024.**

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, 2023, and before January 1, 2025, 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—

16 “(1) in the case of a joint return, \$250,000,

17 “(2) in the case of a married individual filing  
18 a separate return, \$125,000, and

19 “(3) in any other case, \$150,000.

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

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

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

3           (b) CONFORMING AMENDMENTS.—

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

7           (2) Paragraph (2) of section 1324(b) of title  
8 31, United States Code, is amended by inserting  
9 “36C,” after “36B,”.

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

“Sec. 36C. Credit for portion of individual Federal income tax liability for  
2024.”.

14           (c) EFFECTIVE DATE.—The amendments made by  
15 this section shall apply to taxable years beginning after  
16 December 31, 2023.

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