



H.R. 9496, *End Tax Penalties on American Hostages Act* **Rep. Tenney (R-NY), Rep. Beyer (D-VA)**

Background:

- Under current law, the IRS can provide tax relief to some Americans who are held hostage or wrongfully detained abroad, but that authority is limited in several ways **that adversely impacts hostages, individuals wrongfully detained abroad, and their families.**
 - For example, **the IRS does not have authority to extend relief to taxpayers beyond one year, nor does it have a basis for proactively suspending or abating affiliated interest payments on tax liabilities** for taxpayers who have been wrongfully detained abroad. These limitations also apply to a hostage's spouse.
- Current data suggests that **as of 2025, there were at least 74 Americans being held hostage or wrongfully detained abroad** in a foreign country. However, even while being held in detention in a foreign country, **these Americans can face fines or penalties from the IRS for late tax payments.**
 - In some instances, reports suggest that Americans have returned to the U.S. after being held hostage abroad **only to find that they owe thousands of dollars in tax penalties and fines to the IRS.**
- This critical gap in the tax code **results in Americans who were held hostage or wrongfully detained abroad facing additional and onerous burdens** upon returning home, due to no fault of their own.

H.R. 9496, *End Tax Penalties on American Hostages Act:*

- **Aids hostages held abroad and their families by providing the IRS with tools** to ensure American citizens who have been taken hostage or wrongfully detained abroad, and their families, **do not incur penalties** for late tax payments due to captivity.
- **Ensures that any American determined to be wrongfully detained or held hostage** under the Robert Levinson Hostage Recovery and Hostage Taking Accountability Act and the Hostage Recovery Fusion Cell **receives the protections of the legislation.**
- Altogether, ensures that American taxpayers held hostage or wrongfully detained abroad receive a warm welcome home, **not unexpected tax fines and late fees.**