

**AMENDMENT****OFFERED BY MS. SEWELL OF ALABAMA**

Section 174(e) of the Internal Revenue Code of 1986, as proposed to be added by section 101(a), is amended to read as follows:

1       “(e) SUSPENSION OF APPLICATION.—

2               “(1) IN GENERAL.—Except as provided in para-  
3       graph (2), this section shall apply to amounts paid  
4       or incurred in taxable years beginning after Decem-  
5       ber 31, 2025 (and shall not apply to amounts paid  
6       or incurred in taxable years beginning on or before  
7       such date).

8               “(2) SPECIAL RULE FOR DISQUALIFIED TAX-  
9       PAYERS.—

10              “(A) IN GENERAL.—In the case of a dis-  
11       qualified taxpayer, paragraph (1) shall not  
12       apply.

13              “(B) DISQUALIFIED TAXPAYER.—For pur-  
14       poses of this subsection, the term ‘disqualified  
15       taxpayer’ means, with respect to a taxable year,  
16       a taxpayer that—

17              “(i) charged an excessive fee during  
18       such taxable year and is—

1                   “(I) a provider of short-term  
2                   lodging or an entity that advertises  
3                   rates or the purchase of short-term  
4                   lodging,

5                   “(II) a provider of a ticketing  
6                   service that sells tickets for an event  
7                   or retains the authority to otherwise  
8                   distribute tickets for such event,  
9                   whether as a primary seller of tickets  
10                  or in the secondary marketplace for  
11                  ticket sales, or

12                  “(III) any other entity the Sec-  
13                  retary, in consultation with the Fed-  
14                  eral Trade Commission, determines  
15                  appropriate,

16                  “(ii) provided a covered service and  
17                  charged an excessive fee to, or imposed an  
18                  excessive or unreasonable requirement on,  
19                  a consumer for the early termination of the  
20                  covered service during such taxable year,  
21                  or

22                  “(iii) is an air carrier (as such term  
23                  is defined in section 40102 of title 49,  
24                  United States Code) that imposed a fee de-

1           scribed in subparagraph (E) during the  
2           taxable year.

3           “(C) SHORT-TERM LODGING.—For pur-  
4           poses of subparagraph (B), the term ‘short-  
5           term lodging’ means any lodging that is offered  
6           for an occupancy of less than 6 months.

7           “(D) COVERED SERVICE.—For purposes of  
8           subparagraph (B), the term ‘covered service’—

9           “(i) means—

10           “(I) internet service,

11           “(II) voice service (as defined in  
12           section 227(e)(8) of the Communica-  
13           tions Act of 1934),

14           “(III) commercial mobile service  
15           (as defined in section 332(d) of the  
16           Communications Act of 1934),

17           “(IV) commercial mobile data  
18           service (as defined in section 6001 of  
19           the Middle Class Tax Relief and Job  
20           Creation Act of 2012), or

21           “(V) a service provided by a mul-  
22           tichannel video programming dis-  
23           tributor (as defined in section 602 of  
24           the Communications Act of 1934), to  
25           the extent that such distributor is act-

1 ing as a multichannel video program-  
2 ming distributor, and

3 “(ii) includes any other service offered  
4 or provided as part of a bundle or package  
5 with any service described in subclauses (I)  
6 through (V) of clause (i).

7 “(E) FEE FOR ACCOMPANYING A YOUNG  
8 CHILD.—

9 “(i) INCLUSION.—Except as provided  
10 by clause (ii), a fee is described in this  
11 subparagraph if the fee is imposed—

12 “(I) by an air carrier that as-  
13 signs seats, or allows individuals to  
14 select seats, in advance of the date of  
15 departure of a flight,

16 “(II) with respect to a scheduled  
17 flight segment to or from any airport  
18 in the United States,

19 “(III) for an accompanying adult  
20 to sit with a child, and

21 “(IV) in a case in which any ad-  
22 jacent seat assignments are available  
23 at any time after the ticket is issued  
24 for the young child and before the  
25 first passenger boards the flight.

1 “(ii) EXCLUSIONS.—A fee is not de-  
2 scribed by this subparagraph if—

3 “(I) the young child does not  
4 have an accompanying adult traveling  
5 with such child,

6 “(II) an accompanying adult se-  
7 lects a seat apart from the young  
8 child or declines to accept a seat as-  
9 signment or a seat that is adjacent to  
10 the seat assignment or seat of the  
11 young child offered without additional  
12 cost by the air carrier or foreign air  
13 carrier,

14 “(III) the number of young chil-  
15 dren traveling in the same party make  
16 it impossible for the air carrier or for-  
17 eign air carrier to seat all the young  
18 children adjacent to an accompanying  
19 adult based on the seat layout of the  
20 aircraft, or

21 “(IV) an exception to subsection  
22 (b) or (c) deemed appropriate by final  
23 rule of the Secretary applies.

24 “(iii) DEFINITIONS.—For purposes of  
25 this subparagraph:

1 “(I) ACCOMPANYING ADULT.—

2 The term ‘accompanying adult’  
3 means, with respect to a young child,  
4 an individual who is—

5 “(aa) 14 years of age or  
6 older on the date of the sched-  
7 uled departure of the flight, and

8 “(bb) on the same reserva-  
9 tion record as the young child.

10 “(II) ADJACENT.—The term ‘ad-  
11 jacent’ means, with respect to the seat  
12 of a young child, a seat that is—

13 “(aa) next to and in the  
14 same row of the aircraft as the  
15 seat of the young child, and

16 “(bb) not separated by an  
17 aisle.

18 “(III) AVAILABLE.—The term  
19 ‘available’, when used in connection  
20 with seats or seat assignments, means  
21 capable of assignment by the air car-  
22 rier or foreign air carrier without—

23 “(aa) an upgrade of a young  
24 child or an accompanying adult

1 to a different class of service  
2 than ticketed, and

3 “(bb) displacing an indi-  
4 vidual with an assigned seat.

5 “(IV) CLASS OF SERVICE.—The  
6 term ‘class of service’ means first  
7 class, business class, general economy  
8 (including basic economy), or pre-  
9 mium economy.

10 “(V) FOREIGN AIR CARRIER,  
11 UNITED STATES.—The terms ‘foreign  
12 air carrier’ and ‘United States’ have  
13 the meanings given such terms in sec-  
14 tion 40102 of title 49, United States  
15 Code.

16 “(VI) YOUNG CHILD.—The term  
17 ‘young child’ means an individual who  
18 is 13 years of age or younger on the  
19 date of the scheduled departure of the  
20 flight.

21 “(F) REGULATIONS.—The Secretary shall,  
22 in consultation with the Federal Trade Commis-  
23 sion, issue such regulations or other guidance  
24 as may be necessary or appropriate to carry out  
25 the purposes of this paragraph, including—

1                   “(i) regulations for determining  
2                   whether a fee is an excessive fee with re-  
3                   spect to a service provider described in  
4                   subparagraph (B)(i), taking into account—  
5                   “(I) whether the fee is reasonable  
6                   and proportional to the cost of the  
7                   good or service provided by the tax-  
8                   payer,  
9                   “(II) the reason for which the  
10                  taxpayer charges such fee, and  
11                  “(III) any other factors the Sec-  
12                  retary determines appropriate, and  
13                  “(ii) regulations for determining  
14                  whether a fee is excessive or a requirement  
15                  is excessive or unreasonable with respect to  
16                  an early termination described in subpara-  
17                  graph (B)(ii).”.

Subsection (k) of section 174A of the Internal Revenue Code of 1986, as proposed to be added by section 101(b), is redesignated as subsection (l).

Section 174A of the Internal Revenue Code of 1986, as proposed to be added by section 101(b), is amended by inserting after subsection (j) the following new subsection:



1       “(k) EXCLUSION OF DISQUALIFIED TAXPAYERS.—  
2 This section shall not apply with respect to any taxpayer  
3 for any taxable year with respect to which such taxpayer  
4 is a disqualified taxpayer (as defined in section 174).”.

Section 163(j)(8)(A)(v) of the Internal Revenue  
Code of 1986, as amended by section 102(a), is amended  
to read as follows:

5                   “(v) any deduction allowable for de-  
6                   preciation, amortization, or depletion in  
7                   the case of taxable years beginning be-  
8                   fore—

9                   “(I) in the case of a disqualified  
10                  taxpayer (as defined in section 174),  
11                  January 1, 2022, or

12                  “(II) in the case of any other  
13                  taxpayer, January 1, 2026, and”.

In section 103, redesignate subsection (d) as sub-  
section (e) and insert after subsection (c) the following:

14       (d) AMENDMENTS NOT APPLICABLE TO DISQUALI-  
15 FIED TAXPAYERS.—Section 168(k)(6) is amended by add-  
16 ing at the end the following new subparagraph:

17                   “(D) SPECIAL RULE FOR DISQUALIFIED  
18                   TAXPAYERS.—In the case of any taxable year  
19                   for which the taxpayer is a disqualified tax-

1 payer (as defined in section 174), this para-  
2 graph shall be applied without regard to the  
3 amendments made by section 103 of the Build  
4 It in America Act.”.

