

(B) in subparagraph (B), by striking "and" at the end and inserting "or"; and

(C) by adding at the end the following:

"(C) a manager of a collateralized debt obligation; and";

(2) by redesignating subsection (i) as subsection (j); and

(3) by inserting after subsection (h) the following:

"(i) Rules of construction.—With respect to a securitizer described in subsection (a)(3)(C)—

"(1) any provision of this section that requires that securitizer to retain a portion of the credit risk for an asset that such securitizer does not hold, or has never held, shall be construed as requiring that securitizer to—

"(A) obtain that portion of the credit risk for that asset; and

"(B) retain that portion of the credit risk, either directly by the securitizer or through a wholly owned affiliate of the securitizer; and

"(2) any reference in this section to an asset transferred by the securitizer shall be construed to include any transfer caused by the securitizer.".

Subtitle B—Tax Base Integrity and Dynastic Wealth

SEC. 221. TAX ON TRADING TRANSACTIONS.

(a) In general.—[Chapter 36 of the Internal Revenue Code of 1986](#) is amended by inserting after subchapter D the following new subchapter:

"SUBCHAPTER E—TAX ON TRADING TRANSACTIONS

"SEC. 4491. Tax on trading transactions.

"SEC. 4492. Derivative defined.

"Sec. 4491. Tax on trading transactions.

"(a) Imposition of tax.—There is hereby imposed a tax on each covered transaction with respect to any security.

"(b) Rate of tax.—The tax imposed under subsection (a) with respect to any covered transaction shall be 0.1 percent of the specified base amount with respect to such covered transaction.

"(c) Specified base amount.—For purposes of this section, the term 'specified base amount' means—

"(1) except as provided in paragraph (2), the fair market value of a security (determined as of the time of the covered transaction), and

"(2) in the case of any payment with respect to a derivative, the amount of such payment.

"(d) Covered transaction.—For purposes of this section—

"(1) In general.—The term 'covered transaction' means—

"(A) except as provided in subparagraph (B), any purchase if—

"(i) such purchase occurs on, or is subject to the rules of, a qualified board or exchange located in the United States, or

"(ii) the purchaser or seller is a United States person, and

"(B) any transaction with respect to a derivative if—

"(i) such derivative is traded on, or is subject to the rules of, a qualified board or exchange located in the United States, or

"(ii) any party to such derivative is a United States person.

"(2) Exception for initial issues.—No tax shall be imposed under subsection (a) on any covered transaction with respect to the initial issuance of any security described in subparagraph (A), (B), or (C) of subsection (e)(1).

"(e) Definitions and special rules.—For purposes of this section—

"(1) Security.—For purposes of this section, the term 'security' means—

"(A) any share of stock in a corporation,

"(B) any partnership or beneficial ownership interest in a partnership or trust,

"(C) except as provided in paragraph (2), any note, bond, debenture, or other evidence of indebtedness, and

"(D) any derivative (as defined in section 4492).

"(2) Exception for certain traded short-term indebtedness.—A note, bond, debenture, or other evidence of indebtedness which—

"(A) is traded on, or is subject to the rules of, a qualified board or exchange located in the United States, and

"(B) has a fixed maturity of not more than 100 days,

"shall not be treated as described in paragraph (1)(C).

"(3) Qualified board or exchange.—The term 'qualified board or exchange' has the meaning given such term by [section 1256\(g\)\(7\)](#).

"(f) By whom paid.—

"(1) In general.—The tax imposed by this section shall be paid by—

"(A) in the case of a transaction which occurs on, or is subject to the rules of, a qualified board or exchange located in the United States, such qualified board or exchange, and

"(B) in the case of a purchase not described in subparagraph (A) which is executed by a broker (as defined in [section 6045\(c\)\(1\)](#)) which is a United States person, such broker.

"(2) Special rules for direct, etc., transactions.—In the case of any transaction to which paragraph (1) does not apply, the tax imposed by this section shall be paid by—

"(A) in the case of a transaction described in subsection (d)(1)(A)—

"(i) the purchaser if the purchaser is a United States person, and

"(ii) the seller if the purchaser is not a United States person, and

"(B) in the case of a transaction described in subsection (d)(1)(B)—

"(i) the payor if the payor is a United States person, and

"(ii) the payee if the payor is not a United States person.

"(g) Treatment of exchanges and payments with respect to derivatives.—For purposes of this section—

"(1) Treatment of exchanges.—

"(A) In general.—An exchange shall be treated as the sale of the property transferred and a purchase of the property received by each party to the exchange.

"(B) Certain deemed exchanges.—In the case of a distribution treated as an exchange for stock under section 302 or 331, the corporation making such distribution shall be treated as having purchased such stock for purposes of this section.

"(2) Payments with respect to derivatives treated as separate transactions.—Except as otherwise provided by the Secretary, any payment with respect to any derivative shall be treated as a separate transaction for purposes of this section.

"(h) Application to transactions by controlled foreign corporations.—

"(1) In general.—For purposes of this section, a controlled foreign corporation shall be treated as a United States person.

"(2) Special rules for payment of tax on direct, etc., transactions.—In the case of any transaction which is a covered transaction solely by reason of paragraph (1) and which is not described in subsection (f)(1)—

"(A) payment by United States shareholders.—Any tax which would (but for this paragraph) be payable under subsection (f)(2) by the controlled foreign corporation shall, in lieu thereof, be paid by the United States shareholders of such controlled foreign corporation as provided in subparagraph (B).

"(B) pro rata shares.—Each such United States shareholder shall pay the same proportion of such tax as—

"(i) the stock which such United States shareholder owns (within the meaning of [section 958\(a\)](#)) in such controlled foreign corporation, bears to

"(ii) the stock so owned by all United States shareholders in such controlled foreign corporation.

"(C) definitions.—For purposes of this subsection, the terms 'United States shareholder' and 'controlled foreign corporation' have the meanings given such terms in [sections 951\(b\)](#) and [957\(a\)](#), respectively.

"(i) Administration.—The Secretary shall carry out this section in consultation with the Securities and Exchange Commission and the Commodity Futures Trading Commission.

"(j) Guidance; regulations.—The Secretary shall—

"(1) provide guidance regarding such information reporting concerning covered transactions as the Secretary deems appropriate, and

"(2) prescribe such regulations as are necessary or appropriate to prevent avoidance of the purposes of this section, including the use of non–United States persons in such transactions.

"Sec. 4492. Derivative defined.

"(a) In general.—For purposes of this subchapter, except as otherwise provided in this section, the term 'derivative' means any contract (including any option, forward contract, futures contract, short position, swap, or similar contract) the value of which, or any payment or other transfer with respect to which, is (directly or indirectly) determined by reference to 1 or more of the following:

"(1) Any share of stock in a corporation.

"(2) Any partnership or beneficial ownership interest in a partnership or trust.

"(3) Any evidence of indebtedness.

"(4) Except as provided in subsection (b)(1), any real property.

"(5) Any commodity which is actively traded (within the meaning of section 1092(d)(1)).

"(6) Any currency.

"(7) Any rate, price, amount, index, formula, or algorithm.

"(8) Any other item as the Secretary may prescribe.

"Except as provided in regulations prescribed by the Secretary to prevent the avoidance of the purposes of this subchapter, such term shall not include any item described in paragraphs (1) through (8).

"(b) Exceptions.—

"(1) Certain real property.—

"(A) In general.—For purposes of this subchapter, the term 'derivative' shall not include any contract with respect to interests in real property (as defined in section 856(c)(5)(C)) if such contract requires physical delivery of such real property.

"(B) Options to settle in cash.—

"(i) In general.—For purposes of subparagraph (A), a contract which provides for an option of cash settlement shall not be treated as requiring physical delivery of real property unless the option is—

"(I) not exercisable unconditionally, and

"(II) exercisable only in unusual and exceptional circumstances.

"(ii) Option of cash settlement.—For purposes of clause (i), a contract provides an option of cash settlement if the contract settles in (or could be settled in) cash or property other than the underlying real property.

"(2) Securities lending, sale-repurchase, and similar financing transactions.—To the extent provided by the Secretary, for purposes of this subchapter, the term 'derivative' shall not include a contractual obligation to return the same or substantially identical securities transferred in a securities lending transaction, sale-repurchase transaction, or similar financing transaction.

"(3) Options received in connection with the performance of services.—For purposes of this subchapter, the term 'derivative' shall not include any option described in section 83(e)(3) received in connection with the performance of services.

"(4) Insurance contracts, annuities, and endowments.—For purposes of this subchapter, the term 'derivative' shall not include any insurance, annuity, or endowment contract issued by an insurance company to which subchapter L applies (or issued by any foreign corporation to which such subchapter would apply if such foreign corporation were a domestic corporation).

"(5) Derivatives with respect to stock of members of same worldwide affiliated group.—For purposes of this subchapter, the term 'derivative' shall not include any derivative (determined without regard to this paragraph) with respect to stock issued by any member of the same worldwide affiliated group (as defined in section 864(f)) in which the taxpayer is a member.

"(6) Commodities used in normal course of trade or business.—For purposes of this subchapter, the term 'derivative' shall not include any contract with respect to any commodity if—

"(A) such contract requires physical delivery with the option of cash settlement only in unusual and exceptional circumstances, and

"(B) such commodity is used (and is used in quantities with respect to which such derivative relates) in the normal course of the taxpayer's trade or business (or, in the case of an individual, for personal consumption).

"(c) Contracts with embedded derivative components.—

"(1) In general.—If a contract has derivative and nonderivative components, then each derivative component shall be treated as a derivative for purposes of this subchapter. If the

derivative component cannot be separately valued, then the entire contract shall be treated as a derivative for purposes of this subchapter.

"(2) Exception for certain embedded derivative components of debt instruments.—A debt instrument shall not be treated as having a derivative component merely because—

"(A) such debt instrument is denominated in a nonfunctional currency (as defined in [section 988\(c\)\(1\)\(C\)\(ii\)](#)), or

"(B) payments with respect to such debt instrument are determined by reference to the value of a nonfunctional currency (as so defined).

"(d) Treatment of American depository receipts and similar instruments.—Except as otherwise provided by the Secretary, for purposes of this subchapter, American depository receipts (and similar instruments) with respect to shares of stock in foreign corporations shall be treated as shares of stock in such foreign corporations."

(b) Information reporting with respect to controlled foreign corporations.—[Section 6038\(a\)\(1\)\(B\)](#) of such Code is amended by inserting "and transactions which are covered transactions for purposes of section 4491 by reason of the application of section 4491(h)(1) to such corporation" before the semicolon at the end.

(c) Disposition of revenues.—

(1) Trust Fund transfer.—Amounts equivalent to 99 percent of the taxes received in the Treasury under section 4491 of the Internal Revenue Code of 1986 shall be transferred to the American Industrial Reconstruction Trust Fund as provided in section 9512(b)(5) of such Code.

(2) Enforcement allocation.—There are hereby appropriated, out of amounts in the Treasury not otherwise appropriated, amounts equivalent to 1 percent of the taxes received in the Treasury under section 4491 of the Internal Revenue Code of 1986, to remain available without fiscal year limitation, as follows:

(A) 70 percent to the Secretary of the Treasury, acting through the Internal Revenue Service, for administration, collection, audit, information reporting, enforcement, and anti-avoidance activities relating to taxes imposed under section 4491 of such Code.

(B) 15 percent to the Securities and Exchange Commission for market data analysis, exchange and broker compliance support, securities market surveillance, and enforcement referrals relating to taxes imposed under section 4491 of such Code.

(C) 15 percent to the Commodity Futures Trading Commission for market data analysis, derivatives market surveillance, designated contract market and swap execution facility compliance support, and enforcement referrals relating to taxes imposed under section 4491 of such Code.

(3) Transfers.—The Secretary of the Treasury shall transfer amounts described under paragraphs (1) and (2) not less frequently than quarterly.

(4) Supplement not supplant.—Amounts appropriated under paragraph (2) shall supplement, and not supplant, any other amounts made available for the activities described in that paragraph.

(d) Conforming amendment.—The [table of subchapters for chapter 36](#) of such Code is amended by inserting after the item relating to subchapter D the following new item: "SUBCHAPTER E. TAX ON TRADING TRANSACTIONS".

(e) Effective date.—The amendments made by this section shall apply to transactions after March 31, 2027.

(f) Interim final rules; final rules.—

(1) Interim final rules.—Not later than 90 days after the date of enactment of this Act, the Secretary of the Treasury shall issue interim final rules to carry out this section and the amendments made by this section, including rules for payment, collection, deposits, returns, information reporting, exchange and broker compliance, direct transactions, derivatives, controlled foreign corporations, and anti-avoidance.

(2) Waiver.—The Secretary shall issue the interim final rules under paragraph (1) without regard to [section 553 of title 5, United States Code](#), [chapter 6 of title 5, United States Code](#), and [chapter 35 of title 44, United States Code](#). The interim final rules shall have the force and effect of law immediately upon publication.

(3) Public comment.—The Secretary shall provide a period of not less than 60 days for public comment after publication of the interim final rules.

(4) Final rules.—Not later than September 30, 2027, the Secretary shall issue final rules to carry out this section and the amendments made by this section.

SEC. 222. TAXING EXCESSIVE CEO PAY.

(a) In general.—Section 11 of the Internal Revenue Code of 1986 ([26 U.S.C. 11](#)) is amended by adding at the end the following new subsection:

"(e) Tax increase based on pay ratio.—

"(1) In general.—

"(A) Increase imposed.—In the case of any corporation (except as provided in subparagraph (B)(ii)(II)) the pay ratio of which is greater than 50 to 1 for a taxable year, the rate of tax under subsection (b) for such taxable year shall be increased by the penalty determined under paragraph (2).

"(B) Pay ratio.—For purposes of this subsection—

"(i) In general.—The term 'pay ratio' means the ratio described in section [229.402\(u\)\(1\)\(iii\) of title 17](#), Code of Federal Regulations (or any successor thereto), except that—

"(I) such ratio shall be determined with respect to any taxable year using the annualized average of the compensation amounts described in such section during the 5-year period ending on the last day of the taxable year, and

"(II) if the highest compensated employee of the corporation is not the principal executive officer, the ratio shall be determined based on the compensation of such highest compensated employee.

"(ii) Corporations not subject to SEC filing.—In the case of a corporation which (without regard to this clause) is not subject to the authorities described in [section 229.10\(a\) of title 17](#), Code of Federal Regulations (or any successor thereto)—

"(I) Large corporations.—If the average annual gross receipts of such corporation for the 3-taxable-year period ending with the taxable year which precedes such taxable year are at least \$100,000,000, such corporation shall calculate and report its pay ratio according to the method which the Secretary shall prescribe by regulations consistent with the regulation described in clause (i).

"(II) Other private corporations exempt.—Subparagraph (A) shall not apply to any such corporation if the average annual gross receipts of such corporation for the 3-taxable-year period ending with the taxable year which precedes such taxable year are less than \$100,000,000.

"(iii) Special rules.—For purposes of clause (i)(I), if the corporation was not in existence for the entire 5-year period described in such clause, the annualized average shall be determined on the basis of the period during which the corporation was in existence, and any predecessor of the corporation shall be treated as the corporation. Rules similar to the rules of [section 448\(c\)\(3\)](#) shall apply for purposes of clause (ii).

"(2) Amount of penalty.—

"(A) In general.—The penalty determined under this paragraph is an increase, expressed in percentage points, equal to the quotient obtained by dividing—

"(i) the numerical component of the pay ratio representing the compensation of the highest compensated employee, by

"(ii) 100,

"rounded down to the nearest multiple of 0.5.

"(B) No maximum.—The increase determined under subparagraph (A) shall not be subject to a maximum percentage point limitation."

(b) Conforming amendments.—

(1) The following sections of the Internal Revenue Code of 1986 are each amended by inserting "applicable to the corporation (after the application of section 11(e))" after "section 11(b)":

(A) [Section 280C\(c\)\(2\)\(B\)\(ii\)\(II\)](#).

(B) Paragraphs (2)(B) and (6)(A)(ii) of [section 860E\(e\)](#).

(C) [Section 7874\(e\)\(1\)\(B\)](#).

(2) [Section 852\(b\)\(3\)\(A\)](#) of such Code is amended by inserting "(after the application of section 11(e))" after "section 11(b)".

(3) Paragraphs (1) and (2) of [section 1445\(e\)](#) of such Code are each amended by striking "in effect for the taxable year under section 11(b)" and inserting "applicable to such corporation under section 11 for the taxable year".

(4) [Section 1446\(b\)\(2\)\(B\)](#) of such Code is amended by striking "specified in section 11(b)" and inserting "applicable to such corporation under section 11 for the taxable year".

(c) Effective date.—The amendments made by this section shall apply to taxable years beginning after December 31, 2026.

(d) Regulations.—The Secretary of the Treasury (or the Secretary's delegate) shall issue regulations as necessary to prevent avoidance of the purposes of the amendments made by subsection (a), including regulations to prevent the manipulation of the compensation ratio under section 11(e) of the Internal Revenue Code of 1986 by changes to the composition of the workforce (including by using the services of contractors rather than employees).

SEC. 223. PUBLIC EQUITY MONETIZATION TAX.

(a) In general.—Chapter 36 of the Internal Revenue Code of 1986, as amended by this Act, is amended by inserting after subchapter E the following new subchapter:

"SUBCHAPTER F—TAX ON PUBLIC EQUITY MONETIZATION EVENTS

"SEC. 4493. Public equity monetization tax.

"Sec. 4493. Public equity monetization tax.

"(a) Definitions.—In this section:

"(1) Acquisition of a private company by a public company.—The term 'acquisition of a private company by a public company' means an acquisition, directly or indirectly, by a public company of a private company, or of all or substantially all of the assets of a private company.

"(2) American Value Fund.—The term 'American Value Fund' means the fund established under section 623(b)(5) of the POPULIST Act.

"(3) De-SPAC transaction.—The term 'de-SPAC transaction' means any merger, consolidation, share exchange, asset acquisition, reorganization, or similar transaction through which a private company combines with, is acquired by, or becomes the successor to a special purpose acquisition company, blank-check company, shell company, or other public company formed or used primarily to make the equity value of a private company publicly tradeable.

"(4) Depositary share.—The term 'depositary share' means a security, certificate, receipt, or other instrument representing an interest in 1 or more equity securities of a foreign issuer held by a depositary, custodian, or similar person.

"(5) Direct listing.—The term 'direct listing' means any transaction, listing, registration, or other arrangement through which equity securities of a private company become listed, quoted, traded, or otherwise made publicly tradeable on a national securities exchange or other public trading market other than through an underwritten initial public offering.

"(6) Equity security.—The term 'equity security' has the meaning given such term in section 3(a)(11) of the Securities Exchange Act of 1934 ([15 U.S.C. 78c\(a\)\(11\)](#)).

"(7) Foreign issuer.—The term 'foreign issuer' means an issuer that is not organized under the laws of the United States, any State, the District of Columbia, or any territory or possession of the United States.

"(8) Freely transferable equity security.—The term 'freely transferable equity security' means an equity security that—

"(A) is publicly traded on an established securities market; and

"(B) is not subject to a lock-up, resale restriction, contractual transfer restriction, holding period requirement, voting trust, shareholder agreement, registration limitation, or other legal, contractual, or practical restriction that would materially impair sale.

"(9) Fully diluted equity value.—The term 'fully diluted equity value' means, with respect to an issuer after a public equity monetization event, the aggregate equity value determined by multiplying—

"(A) the measurement price; by

"(B) the total number of common equivalent equity securities of the issuer outstanding after such event, determined without duplication by—

"(i) including all outstanding common shares and other equity securities that participate in the economic value of common shares, without regard to voting authority;

"(ii) treating preferred securities, options, warrants, restricted stock units, convertible securities, convertible debt instruments, and similar equity-linked entitlements or instruments as common equivalent equity securities to the extent such entitlements or instruments are convertible into, exercisable for, exchangeable for, or settleable in common shares or common share equivalents; and

"(iii) taking into account any exercise price, conversion price, purchase price, strike price, or other amount payable to the issuer in connection with such conversion, exercise, exchange, or settlement.

"(10) Initial public offering.—The term 'initial public offering' means the first registered offering of equity securities of a private company to the public under the Securities Act of 1933 ([15 U.S.C. 77a et seq.](#)).

"(11) Issuer.—The term 'issuer' has the meaning given such term in section 3(a)(8) of the Securities Exchange Act of 1934 ([15 U.S.C. 78c\(a\)\(8\)](#)).

"(12) Measurement price.—The term 'measurement price' means, with respect to an equity security, depositary share, or other instrument made publicly tradeable through a public equity monetization event, the greatest of—

"(A) the price at which such equity security, depositary share, or other instrument is sold, issued, listed, exchanged, or valued in connection with the public equity monetization event;

"(B) the closing price of such equity security, depositary share, or other instrument on the first trading day after the public equity monetization event; and

"(C) the 5-trading-day volume-weighted average price of such equity security, depositary share, or other instrument beginning with the first trading day after the public equity monetization event.

"(13) Private company.—The term 'private company' means any person whose equity securities are not listed, quoted, traded, or otherwise publicly tradeable on any securities exchange or other public trading market.

"(14) Public company.—The term 'public company' means any issuer—

"(A) that has a class of equity securities registered under section 12 of the Securities Exchange Act of 1934 ([15 U.S.C. 78l](#));

"(B) that is required to file reports under section 15(d) of the Securities Exchange Act of 1934 ([15 U.S.C. 78o\(d\)](#)); or

"(C) whose equity securities are listed, quoted, or traded on a national securities exchange or other public trading market in the United States.

"(15) Public equity monetization event.—The term 'public equity monetization event' means—

"(A) an initial public offering;

"(B) a direct listing;

"(C) a de-SPAC transaction;

"(D) a reverse merger;

"(E) an acquisition of a private company by a public company;

"(F) a United States listing event; or

"(G) any substantially similar transaction, series of transactions, plan, arrangement, or device through which equity value of a private company or foreign issuer becomes listed, traded, liquid, or otherwise monetized through public securities markets in the United States.

"(16) Reverse merger.—The term 'reverse merger' means any merger, consolidation, share exchange, acquisition, or similar transaction through which a private company becomes a public company, or becomes owned or controlled by a public company, without an underwritten initial public offering.

"(17) Secretary.—The term 'Secretary' means the Secretary of the Treasury or the Secretary's delegate.

"(18) Taxable value.—The term 'taxable value' means—

"(A) in the case of an initial public offering, direct listing, de-SPAC transaction, or reverse merger, the fully diluted equity value of the issuer after the public equity monetization event;

"(B) in the case of an acquisition of a private company by a public company, the total transaction value of such acquisition;

"(C) in the case of a United States listing event, the number of equity securities, depositary shares, or other instruments sold, issued, registered for resale, listed, deposited, or otherwise first made publicly tradeable in the United States through such event, multiplied by the measurement price for such equity securities, depositary shares, or other instruments; and

"(D) in the case of a substantially similar transaction, series of transactions, plan, arrangement, or device described in paragraph (15)(G), the taxable value determined under subparagraph (A), (B), or (C), as applicable, based on the public equity monetization event that such transaction, series of transactions, plan, arrangement, or device most closely resembles.

"(19) Total transaction value.—The term 'total transaction value' means the aggregate sum, without duplication, of—

"(A) the cash paid or payable in connection with an acquisition of a private company by a public company;

"(B) the fair market value of any equity securities, debt instruments, property, services, entitlements, or other noncash consideration paid, issued, transferred, or provided in connection with such acquisition;

"(C) the amount of any liabilities assumed, refinanced, guaranteed, or otherwise borne by the acquiring public company or any affiliated entity in connection with such acquisition; and

"(D) the fair market value, as determined under regulations prescribed by the Secretary, of any contingent consideration, earnout, option, warrant, derivative instrument, deferred payment, or similar arrangement.

"(20) United States listing event.—The term 'United States listing event' means the first issuer-sponsored listing, trading, registration, depositary share program, registered offering, or other arrangement through which equity securities of a foreign issuer, depositary shares representing such securities, or other instruments representing such securities become listed,

traded, or otherwise publicly tradeable on a national securities exchange or other public trading market in the United States. Such term does not include an unsponsored depositary receipt or other trading arrangement established without the participation, consent, approval, or facilitation of the foreign issuer.

"(b) Imposition of tax.—There is hereby imposed a tax equal to 5 percent of the taxable value of each public equity monetization event.

"(c) Liability, return, and application.—

"(1) Liability.—The tax imposed under subsection (b) shall be paid by—

"(A) in the case of an initial public offering, direct listing, de-SPAC transaction, or reverse merger, the issuer, registrant, successor public company, or other person whose equity securities are sold, issued, registered for resale, listed, exchanged, or otherwise made publicly tradeable through the public equity monetization event;

"(B) in the case of an acquisition of a private company by a public company, the acquiring public company;

"(C) in the case of a United States listing event, the foreign issuer; and

"(D) in the case of a substantially similar transaction, series of transactions, plan, arrangement, or device described in subsection (a)(15)(G), the person that would be liable under subparagraph (A), (B), or (C), as applicable, based on the public equity monetization event that such transaction, series of transactions, plan, arrangement, or device most closely resembles.

"(2) Return.—Each person liable for tax under paragraph (1) shall file a return in such form and manner as the Secretary shall prescribe.

"(3) Due date.—The return and tax required under this subsection shall be due on the later of April 15, 2027, or 90 days after the date of the public equity monetization event.

"(4) Application.—This section shall apply to public equity monetization events occurring after December 31, 2025.

"(d) Acceptance of securities.—

"(1) Request.—A person liable for tax under this section may request that the Secretary accept freely transferable equity securities in satisfaction of all or part of the tax imposed under subsection (b).

"(2) Acceptance required.—The Secretary shall accept such securities proposed under paragraph (1) unless the Secretary determines in writing that—

"(A) the securities are not freely transferable equity securities;

"(B) the fair market value of the securities cannot be reliably determined;

"(C) acceptance, holding, or liquidation of the securities would violate Federal securities law;

"(D) liquidation of the securities is likely to produce materially less than the value asserted by the person liable for tax; or

"(E) the request is part of a transaction, series of transactions, plan, arrangement, or device to avoid or evade the tax imposed under subsection (b).

"(3) Valuation.—For purposes of this subsection, the fair market value of freely transferable equity securities accepted by the Secretary shall be determined after transfer to the Secretary under a method prescribed by the Secretary. Such method shall be based on the 5-trading-day volume-weighted average price of such securities beginning with the first trading day after transfer.

"(4) Satisfaction of liability; shortfall.—A tax liability under this section shall be satisfied only to the extent of the fair market value determined under paragraph (3). If such fair market value is less than the amount of tax liability intended to be satisfied by the transfer of securities, the remainder of the liability shall be due within 10 business days.

"(5) Temporary liquidation account.—Any equity securities accepted under this subsection shall be held in a temporary liquidation account established by the Secretary.

"(A) Automatic liquidation.—Beginning not later than 10 trading days after acceptance of equity securities, the Secretary shall sell such securities on each trading day on which such securities may lawfully be sold, until all such securities are liquidated.

"(B) Liquidation period.—The liquidation of such securities shall be done in substantially equal daily quantities, over a period of not fewer than 210 trading days and not more than 250 trading days, as the Secretary may determine.

"(e) Disposition of receipts.—

"(1) Notwithstanding any other provision of law, all amounts paid under this section, and all net proceeds from the liquidation of equity securities under subsection (d), shall be deposited into the general fund of the Treasury.

"(2) American Value Fund.—All amounts deposited pursuant to paragraph (1) shall be credited to the American Value Fund.

"(3) Budgetary treatment.—Amounts credited under this section shall be treated as offsetting receipts for purposes of the Congressional Budget Act of 1974 ([2 U.S.C. 621 et seq.](#)).

"(f) Anti-avoidance.—

"(1) Substance over form.—For purposes of this section, the Secretary shall disregard, recharacterize, or aggregate formally separate steps of a transaction, series of transactions, plan, arrangement, or device to reflect the substance of the transaction, series of transactions, plan, arrangement, or device and to prevent avoidance of the tax imposed under subsection (b).

"(2) Date and taxable value.—If the Secretary applies paragraph (1), the public equity monetization event shall be treated as occurring on the date on which the substance of the transaction, series of transactions, plan, arrangement, or device first results in a public equity

monetization event described in subsection (a)(15). The taxable value shall be determined under subsection (a)(18) by reference to the full substance of the transaction, series of transactions, plan, arrangement, or device, and not merely by reference to the final step or form used.

"(g) Coordination with other taxes and fees.—

"(1) In general.—The tax imposed by this section shall be in addition to any fee imposed under section 6(b) of the Securities Act of 1933 ([15 U.S.C. 77f\(b\)](#)), any tax imposed under this title, and any other fee, tax, or assessment imposed under Federal or State law.

"(2) No duplicative application.—The Secretary shall prescribe regulations or other guidance to prevent the tax imposed by this section from being imposed more than once on the same equity securities or same transaction value in the same public equity monetization event.

"(h) Reporting and information sharing.—

"(1) Reporting.—The Secretary may require issuers, registrants, foreign issuers, acquiring public companies, underwriters, exchanges, transfer agents, brokers, dealers, depositaries, advisers, and other persons participating in or facilitating a public equity monetization event to report such information as the Secretary determines necessary to carry out this section.

"(2) Information sharing.—Notwithstanding any other provision of law, the Securities and Exchange Commission shall provide to the Secretary, on request, such filings, records, data, and other information as the Secretary determines necessary to administer or enforce this section.

"(i) Regulations.—

"(1) Interim final rules.—Not later than 120 days after the date of enactment of the POPULIST Act, the Secretary, in consultation with the Securities and Exchange Commission, shall issue interim final rules to carry out this section.

"(2) Effect.—The interim final rules shall take effect upon publication in the Federal Register, shall have the force and effect of law, and may be issued without regard to [section 553 of title 5](#), United States Code.

"(3) Public comment.—The Secretary shall provide a public comment period of not less than 60 days after publication of the interim final rules.

"(4) Final rules.—Not later than December 1, 2027, the Secretary, in consultation with the Securities and Exchange Commission, shall issue final rules to carry out this section."

(b) Conforming amendment.—The table of subchapters for chapter 36 of the Internal Revenue Code of 1986, as amended by this Act, is amended by inserting after the item relating to subchapter E the following new item:

"SUBCHAPTER F. TAX ON PUBLIC EQUITY MONETIZATION EVENTS".

SEC. 224. ENDING SUBSIDIES FOR GIANT MERGERS.

(a) Acquisitive reorganizations.—[Section 368\(a\)\(2\)](#) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

"(I) Special rules with respect to certain acquisitive reorganizations described in paragraph (1)(A), (1)(B), (1)(C), and (1)(D).—

"(i) In general.—A merger, consolidation, acquisition, or transfer which is described in clause (ii) shall not be treated as a merger, consolidation, acquisition, or transfer described in paragraph (1)(A), (1)(B), (1)(C), or (1)(D).

"(ii) Transactions described.—A merger, consolidation, acquisition, or transfer is described in this clause if—

"(I) such merger, consolidation, acquisition, or transfer is, or is treated as, the acquisition of the stock or assets of another corporation,

"(II) such merger, consolidation, acquisition, or transfer is not excepted under clause (iii), and

"(III) the combined average annual gross receipts of the acquiring corporation and the acquired corporation for the 3-taxable year period which precedes the taxable year in which the merger, consolidation, acquisition, or transfer is completed exceeds \$500,000,000.

"(iii) Exceptions.—A merger, consolidation, acquisition, or transfer is excepted under this clause if—

"(I) either the acquiring corporation or the acquired corporation controls the other immediately before (and, if both corporations continue to exist, after) the merger, consolidation, acquisition, or transfer (as the case may be),

"(II) any other corporation controls both the acquiring corporation and the acquired corporation immediately before (and, if both corporations continue to exist, after) the merger, consolidation, acquisition, or transfer (as the case may be), or

"(III) either the acquiring corporation or the acquired corporation meets the gross receipts test of [section 448\(c\)\(1\)](#) for the taxable year in which the merger, consolidation, acquisition, or transfer is completed.

"(iv) Aggregation and other special rules.—Rules similar to the rules of paragraphs (2) and (3) of section 448(c) shall apply for purposes of clause (ii)(III), except that (unless otherwise provided by the Secretary) the rules of section 448(c)(2) shall not apply in determining the average annual gross receipts of the acquired corporation.

"(v) Inflation adjustment.—In the case of any taxable year beginning after 2026, the dollar amount in clause (ii)(III) shall be increased by an amount equal to—

"(I) such dollar amount, multiplied by

"(II) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"If any amount as increased under the preceding sentence is not a multiple of \$1,000,000, such amount shall be rounded up to the nearest multiple of \$1,000,000.

"(vi) Regulations and guidance.—The Secretary may prescribe such regulations and other guidance as are necessary or appropriate to carry out, and to prevent the abuse of the purposes of, this subparagraph, including rules—

"(I) to prevent the avoidance of the application of this subparagraph through the use of a series of transactions designed and executed as parts of a unitary plan, and

"(II) for the nonapplication of the rules of clause (i) where such nonapplication is consistent with the purposes of this subparagraph."

(b) Transfers to corporations controlled by transferors.—[Section 351](#) of the Internal Revenue Code of 1986 is amended by redesignating subsection (h) as subsection (i) and by inserting after subsection (g) the following new subsection:

"(h) Special rule with respect to multiple transferors.—

"(1) In general.—Subsection (a) shall not apply to any transfer of property by 2 or more persons which are corporations if the combined average annual gross receipts of such persons for the 3-taxable year period which precedes the taxable year of the transfer exceeds \$500,000,000.

"(2) Exception.—Paragraph (1) shall not apply if—

"(A) such persons control the corporation to which the property is transferred immediately before the transfer,

"(B) another corporation controls all such persons and the corporation to which the property is transferred immediately before the transfer, or

"(C) all such persons meet the gross receipts test of section 448(c)(1) for the taxable year in which the transfer is made.

"(3) Aggregation and other special rules.—Rules similar to the rules of paragraphs (2) and (3) of section 448(c) shall apply for purposes of paragraph (1).

"(4) Inflation adjustment.—In the case of any taxable year beginning after 2026, the dollar amount in paragraph (1) shall be increased by an amount equal to—

"(A) such dollar amount, multiplied by

"(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which such taxable year begins, determined by substituting 'calendar year 2025' for 'calendar year 2016' in subparagraph (A)(ii) thereof.

"If any amount as increased under the preceding sentence is not a multiple of \$1,000,000, such amount shall be rounded up to the nearest multiple of \$1,000,000.

"(5) Regulations and guidance.—The Secretary may prescribe such regulations and other guidance as are necessary or appropriate to carry out, and to prevent the abuse of the purposes of, this subsection, including rules—

"(A) to prevent the avoidance of the application of this subsection through the use of a series of transactions designed and executed as parts of a unitary plan, and

"(B) for the nonapplication of the rules of paragraph (1) where such nonapplication is consistent with the purposes of this subsection.".

SEC. 225. LIMITATION ON BASIC EXCLUSION AMOUNT AND BASIS ADJUSTMENT AT DEATH.

(a) Findings.—Congress finds the following:

(1) The use of appreciated assets to finance consumption or investment without sale, combined with basis adjustment at death under [section 1014](#) of the Internal Revenue Code of 1986, permits substantial tax avoidance and facilitates the accumulation and transmission of dynastic wealth.

(2) The concentration of large inheritances in a small number of families contributes to wealth inequality, entrenches economic privilege across generations, and undermines the principle that all people should have a fair opportunity to build economic security through their own labor and contributions to society.

(3) It is understandable that parents seek to provide stability and security to their children. But with the establishment of unconditional basic income through the American Union Jobs Program, the United States shall ensure basic economic security for every child and every family. In light of that guarantee, the amount of wealth that may pass tax-free at death may be limited to 100 times the annual basic wage without impairing the basic security of the decedent's offspring.

(b) Basic exclusion amount and portability.—Section 2010(c) of the Internal Revenue Code of 1986 ([26 U.S.C. 2010](#)) is amended—

(1) by amending paragraph (3) to read as follows:

"(3) Basic exclusion amount.—For purposes of this subsection, the basic exclusion amount is an amount equal to 100 times the basic wage as determined under section 1398c of title 42, United States Code."; and

(2) by amending paragraph (4)(B)(ii) to read as follows:

"(ii) the sum of—

"(I) the amount with respect to which the tentative tax is determined under section 2001(b)(1) on the estate of such deceased spouse; and

"(II) the aggregate increase in basis allowed under section 1014(g)(1) with respect to property acquired from such deceased spouse."

(c) Limitation on basis adjustment at death.—Section 1014 of the Internal Revenue Code of 1986 ([26 U.S.C. 1014](#)) is amended by adding at the end the following:

"(g) Limitation on basis adjustment for property acquired from a decedent by subject transferees.—

"(1) In general.—In the case of property acquired from a decedent by a subject transferee, the aggregate increase in basis resulting from subsection (a) shall not exceed the unused exclusion remainder.

"(2) Unused exclusion remainder.—For purposes of this subsection, the term 'unused exclusion remainder' means the excess (if any) of—

"(A) the applicable exclusion amount determined under section 2010(c)(2), over

"(B) the sum of—

"(i) the adjusted taxable gifts of the decedent, as determined under section 2001(b), reduced by the amount of such gifts on which gift tax was paid; and

"(ii) the aggregate fair market value, determined as of the date of the decedent's death, of all property acquired from the decedent by subject transferees.

"(3) Subject transferee.—For purposes of this subsection, the term 'subject transferee', with respect to property acquired from a decedent, means any person other than—

"(A) a person acquiring such property with respect to which a deduction is allowable under section 2055 or 2106(a)(2) by reason of the transfer of such property; or

"(B) a person acquiring such property with respect to which a deduction is allowable under section 2056 or 2106(a)(3) by reason of the transfer of such property.

"(4) Pro rata allocation of allowable basis increase.—If the aggregate increase in basis that would otherwise result from subsection (a) with respect to property acquired from the decedent by subject transferees exceeds the unused exclusion remainder, the unused exclusion remainder shall be allocated pro rata among all items of such property for which subsection (a) would otherwise increase basis, based on the amount of such increase for each such item.

"(5) Basis of property with limited basis increase.—In the case of property to which paragraph (4) applies, the basis of such property shall be the adjusted basis of such property immediately before death, increased by the amount allocated to such property under paragraph (4). In no event shall the basis of such property exceed the amount determined under subsection (a).

"(6) Basis of marital deduction and community property.—In the case of property with respect to which a deduction is allowable under section 2056 or 2106(a)(3), or property described in subsection (b)(6), the basis of such property immediately after the decedent's death shall be the lesser of—

"(A) the adjusted basis of such property immediately before the decedent's death; or

"(B) the amount determined under subsection (a).

"(7) Regulations.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out this subsection, including regulations for reporting, basis tracking, fractional interests, and coordination with chapters 11 and 12."

(d) Effective date.—

(1) The amendments made by subsection (b) shall apply to estates of decedents dying and gifts made after December 31, 2026.

(2) The amendment made by subsection (c) shall apply to property acquired from decedents dying after December 31, 2026.

Subtitle C—Addressing Consolidation on Wall Street

SEC. 231. ADJUSTING HART-SCOTT-RODINO THRESHOLDS.

(a) Amendments.—Section 7A of the Clayton Act ([15 U.S.C. 18a](#)) is amended—

(1) in subsection (a)(2)(A)—

(A) by striking "2004" and inserting "2027"; and

(B) by striking "2003" and inserting "2026"; and

(2) by adding at the end the following:

"(I) Serial acquisitions.—For purposes of subsection (a), paragraph (2) of that subsection shall be treated as satisfied if, as a result of the acquisition at issue, or pursuant to a plan, series of transactions, agreement, or understanding (whether or not legally binding), the acquiring person would, during any 12-month period, directly or indirectly acquire voting securities, noncorporate interests, or assets of 6 or more persons, regardless of the size of any individual transaction."

(b) Effective date.—The amendments made by this section shall take effect 90 days after the date of enactment of this Act.

SEC. 232. CLOSING THE FAILING BANK LOOPHOLE IN BANK MERGER APPROVALS.

(a) Amendment.—Section 3 of the Bank Merger Act ([12 U.S.C. 1828\(c\)](#)) is amended by adding at the end the following:

"(14) Failing bank exception narrowly construed.—

"(A) In general.—No proposed merger, acquisition, or consolidation involving an insured depository institution shall be approved on the basis that one party is in financial distress or failing unless the appropriate Federal banking agency determines, based on clear and convincing evidence, that—

"(i) there are no other willing or qualified bidders for the institution;