

"(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;

"(ii) no less anticompetitive transaction is reasonably available; and

"(iii) no other means of executing an orderly resolution or winddown under applicable law would adequately protect depositors and the Deposit Insurance Fund.

"(B) Burden of proof.—The burden of demonstrating compliance with subparagraph (A) shall rest with the parties to the transaction.

"(C) Prohibition on speculative justifications.—General assertions of financial weakness, market instability, or potential future distress shall not, by themselves, satisfy the requirements of this paragraph.

"(D) Written determination required.—Any approval relying on this paragraph shall include a written determination addressing each requirement under subparagraph (A), which shall be made publicly available."

SEC. 233. PROHIBITION ON COMMON OWNERSHIP OF AIR CARRIERS.

(a) In general.—Section 20 of title 15, United States Code, is amended to read as follows:

"Sec. 20. Prohibition on common ownership of air carriers

"(a) Definitions.—In this section:

"(1) Air carrier.—The term 'air carrier' means a citizen of the United States undertaking, directly or indirectly, to provide air transportation.

"(2) Citizen of the United States.—The term 'citizen of the United States' means—

"(A) an individual who is a citizen of the United States;

"(B) a partnership each of whose partners is an individual who is a citizen of the United States; or

"(C) a corporation or association organized under the laws of the United States, a State, the District of Columbia, or a territory or possession of the United States, of which—

"(i) the president and at least two-thirds of the board of directors and other managing officers are citizens of the United States;

"(ii) the entity is under the actual control of citizens of the United States; and

"(iii) at least 75 percent of the voting interest is owned or controlled by persons that are citizens of the United States.

"(3) Own or control.—The term 'own or control' means beneficial ownership, voting authority, investment discretion, or proxy voting power, whether exercised directly or indirectly, and includes ownership interests held by affiliated persons or entities under common management or control.

"(b) Prohibition.—

"(1) In general.—It shall be unlawful for any person that, with respect to an air carrier, directly or indirectly owns or controls an interest described in paragraph (2) to directly or indirectly own or control, or attempt to own or control, an interest described in paragraph (2) with respect to any other air carrier.

"(2) Covered interests.—An interest described in this paragraph is—

"(A) 5 percent or more of any class of voting securities or other voting interests;

"(B) 5 percent or more of the total voting power; or

"(C) equity securities or other equity interests representing 5 percent or more of the total equity value.

"(3) Independent application.—Each threshold under paragraph (2) shall be applied independently, and percentages determined under different subparagraphs of paragraph (2) shall not be added together.

"(c) Passive investment.—The absence of intent to influence management or corporate governance shall not exempt any person from the prohibition under subsection (b).

"(d) Enforcement.—A violation of this section shall be treated as a violation of the Sherman Act ([15 U.S.C. 1 et seq.](#)) and shall be subject to all remedies and enforcement authorities applicable under the antitrust laws."

(b) Effective date.—This section shall apply to ownership interests held on or after January 1, 2028.

SEC. 234. CODIFICATION OF HART-SCOTT-RODINO FILING REQUIREMENTS.

(a) In general.—

(1) Incorporation of specified rule.—The provisions of the final rule entitled "Premerger Notification; Reporting and Waiting Period Requirements", as issued by the Federal Trade Commission, with the concurrence of the Department of Justice, and published in the Federal Register on November 12, 2024 ([89 Fed. Reg. 89216](#)), are incorporated into this Act and shall be treated as though such provisions are set forth in this subsection.

(2) Effect of incorporation.—The rule incorporated under paragraph (1) may be altered only by means of an Act of Congress. To the extent that any provision of such rule does not conform with any other statutory provision of law enacted before the date of enactment of this Act, the provisions of this Act shall govern.

(3) Definition of rule.—In this section, the term "rule" means any rule, regulation, guideline, interpretation, order, or requirement of general applicability prescribed by any officer or employee of the executive branch or an independent establishment.

(b) Rulemaking authority.—

(1) In general.—The Federal Trade Commission is expressly authorized to prescribe rules of general applicability governing the form, content, and manner of filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ([15 U.S.C. 18a](#)), including rules requiring

the submission of such information and documentary material as the Commission determines necessary and appropriate to enable an initial assessment of whether a transaction may violate the antitrust laws.

(2) Minimum floor.—Rules prescribed under paragraph (1) may impose requirements that are more stringent than the requirements incorporated under subsection (a), but may not prescribe requirements that are less stringent than such incorporated requirements, except as expressly provided by an Act of Congress.

SEC. 235. PROHIBITING VERTICAL INTERLOCKING DIRECTORATES.

(a) Amendment.—Section 8 of the Clayton Act ([15 U.S.C. 19](#)) is amended—

(1) in subsection (a)(2) by striking "For the purposes of this paragraph, 'total sales' means" and inserting "For the purposes of this section, 'total sales' means";

(2) in subsection (a)(5) by striking "in this subsection" and inserting "in this section"; and

(3) by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following:

"(b) (1) No person shall, at the same time, serve as a director or officer in any 2 corporations (other than banks, banking associations, and trust companies) if—

"(A) each of the corporations has capital, surplus, and undivided profits aggregating more than \$10,000,000, as adjusted pursuant to subsection (a)(5); and

"(B) they stand in a covered vertical relationship.

"(2) For purposes of this subsection, 2 corporations stand in a 'covered vertical relationship' if—

"(A) by virtue of their business, the elimination of such dealings between them would materially affect the ability of either corporation to compete in any line of commerce in any section of the country; and

"(B) either corporation—

"(i) has vertical sales to the other of more than \$1,000,000, as adjusted pursuant to subsection (a)(5), and the summed vertical sales between such corporations are not less than 4 percent of the total sales of the smaller corporation;

"(ii) grants to the other a license to intellectual property that is material to such competition; or

"(iii) materially manages the other with respect to the production, marketing, or distribution of goods or services.

"(3) For purposes of this subsection, the term 'vertical sales' means the gross revenues from products and services sold by one corporation to the other during the last completed fiscal year."

SEC. 236. REBUTTABLE PRESUMPTIONS FOR LARGE MERGERS AND ACQUISITIONS.

(a) Amendment.—The Clayton Act ([15 U.S.C. 12 et seq.](#)) is amended by inserting after section 7B the following:

"Sec. 7C. Rebuttable presumptions for large mergers and acquisitions.

"(a) Definitions.—In this section:

"(1) Covered transaction.—The term 'covered transaction' means any acquisition of stock or assets, merger, consolidation, or other transaction that is required to be reported under section 7A of the Clayton Act ([15 U.S.C. 18a](#)), or that is subject to section 7 of the Clayton Act ([15 U.S.C. 18](#)).

"(2) Herfindahl-Hirschman Index.—The term 'Herfindahl-Hirschman Index' means the sum of the squares of the market shares of all firms participating in a relevant market, expressed as whole numbers.

"(3) Materially.—The term 'materially' means more than a de minimis amount.

"(b) Rebuttable presumption.—For purposes of section 7 of the Clayton Act ([15 U.S.C. 18](#)), it shall be a rebuttable presumption that a covered transaction may create an appreciable risk of materially lessening competition or tend to create a monopoly or monopsony if any of the following conditions are true:

"(1) Size.—The value of the covered transaction is greater than \$100,000,000,000 (as adjusted and published for each fiscal year beginning after September 30, 2026, in the same manner as provided in [section 8\(a\)\(5\)](#) to reflect the percentage change in the gross national product for such fiscal year compared to the gross national product for the year ending September 30, 2025).

"(2) Concentration and change in concentration.—In any relevant market, the covered transaction would result in a Herfindahl-Hirschman Index greater than 1,800 and would increase the Herfindahl-Hirschman Index by 100 or more.

"(3) Market share and change in concentration.—In any relevant market, the covered transaction would result in a market share of 30 percent or greater for any person and would increase the Herfindahl-Hirschman Index by 100 or more.

"(4) Serial acquisitions.—The covered transaction is part of a pattern or strategy of multiple acquisitions in the same or related business lines and, when evaluated cumulatively, such acquisitions would create or further a trend toward concentration or otherwise may create an appreciable risk of materially lessening competition.

"(5) Vertical foreclosure and limiting access.—The covered transaction may create an appreciable risk of materially lessening competition by enabling the merged firm to limit, foreclose, degrade, or otherwise impede rivals' access to a related product, service, input, or route to market, including by raising rivals' costs, impairing rivals' ability to compete, or otherwise reducing competition."