

## H.R. 9495, Stop Terror-Financing and Tax Penalties on American Hostages Act

As ordered reported by the House Committee on Ways and Means on September 11, 2024

By Fiscal Year, Millions of Dollars	2025	2025-2029	2025-2034
Direct Spending (Outlays)	0	0	0
Revenues	*	*	*
Increase or Decrease (-) in the Deficit	*	*	*
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Statutory pay-as-you-go procedures apply?	Yes
		<b>Mandate Effects</b>	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2035?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No

\* = between -\$500,000 and \$500,000.

H.R. 9495 would modify the Internal Revenue Code to extend deadlines for certain tax matters for hostages, people wrongfully detained abroad, and their spouses, and would suspend the tax-exempt status of organizations that support terrorism.

Similar to the rules for service members in combat zones, the bill would direct the Secretary of the Treasury, in consultation with the Secretary of State and the Federal Bureau of Investigation's Hostage Recovery Fusion Cell, to create a program to allow people who were detained between 2021 and the date of enactment to seek refunds of interest and penalties assessed during that time.

The bill also would suspend the tax-exempt status of organizations that support terrorism. Under current law, an entity's tax-exempt status is suspended if the Department of State designates it as a terrorist organization. The bill would extend that prohibition to organizations identified as having provided material support or resources to a terrorist or terrorist-supporting organization within the three years prior to being so designated. The bill also would establish procedures for the department to provide notice to those organizations, for organizations to refute the designation, and for designations to be rescinded.

See also

[CBO's Cost Estimates Explained](#), [CBO Describes Its Cost-Estimating Process](#), [Glossary](#)



The Congressional Budget Act of 1974, as amended, stipulates that revenue estimates provided by the staff of the Joint Committee on Taxation (JCT) will be the official estimates for all tax legislation considered by the Congress. As such, CBO incorporates those estimates into its cost estimates of the effects of legislation. The estimates for the revenue provisions of H.R. 9495 were provided by JCT.<sup>1</sup>

JCT estimates that enacting H.R. 9495 would result in a negligible change in revenues over the 2024-2034 period.

CBO estimates that implementing the bill would increase federal costs by less than \$500,000 over the 2025-2029 period for the Department of the Treasury and for the Department of State; any related spending would be subject to the availability of appropriated funds.

The CBO staff contact for this estimate is Nathaniel Frenz. The estimate was reviewed by John McClelland, Director of Tax Analysis.

Phillip L. Swagel  
Director, Congressional Budget Office

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1. Joint Committee on Taxation, *Description of H.R. 9495, the “Stop Terror-Financing and Tax Penalties on American Hostages Act,”* JCX-37-24 (September 9, 2024), <https://www.jct.gov/publications/2024/jcx-37-24>.