Union Calendar No.

119TH CONGRESS
2D SESSION

H. R. 7730

[Report No. 119–]

To amend title 11, United States Code, to modify certain bankruptcy eligibility requirements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 26, 2026

Mr. CLINE (for himself, Mr. CORREA, Ms. LEE of Florida, and Mr. NEGUSE) introduced the following bill; which was referred to the Committee on the Judiciary

APRIL --, 2026

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on February 26, 2026]

A BILL

To amend title 11, United States Code, to modify certain bankruptcy eligibility requirements, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bankruptcy Threshold Adjustment Act".

SEC. 2. DEBT LIMIT MODIFICATIONS.

(a) MODIFICATION TO THE SMALL BUSINESS BANKRUPTCY DEBT LIMIT.—Section 1182(1) of title 11, United States Code, is amended to read as follows:

"(1) DEBTOR.—The term 'debtor'—

"(A) subject to subparagraph (B), means a person engaged in commercial or business activities (including any affiliate of such person that is also a debtor under this title and excluding a person whose primary activity is the business of owning single asset real estate) that has aggregate noncontingent liquidated secured and unsecured debts as of the date of the filing of the petition or the date of the order for relief in an amount not more than $7,500,000 (excluding debts owed to 1 or more affiliates or insiders) not less than 50 percent of which arose from the commercial or business activities of the debtor; and

"(B) does not include—

"(i) any member of a group of affiliated debtors under this title that has aggregate noncontingent liquidated secured and unsecured debts in an amount greater than $7,500,000 (excluding debt owed to 1 or more affiliates or insiders);

"(ii) any debtor that is a corporation subject to the reporting requirements under section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d)); or

"(iii) any debtor that is an affiliate of a corporation described in clause (ii).".

(b) MODIFICATION TO THE CONSUMER BANKRUPTCY DEBT LIMIT.—Section 109 of title 11, United States Code, is amended by striking subsection (e) and inserting the following:

"(e) Only an individual with regular income that owes, on the date of the filing of the petition, noncontingent, liquidated debts that aggregate less than $2,750,000 or an individual with regular income and such individual's spouse, except a stockbroker or a commodity broker, that owe, on the date of the filing of the petition, noncontingent, liquidated debts that aggregate less than $2,750,000 may be a debtor under chapter 13 of this title.".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall apply to any case that is commenced under title 11, United States Code, on or after the date of enactment of this Act.