

**Calendar No. 347**119<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION**S. 3977**

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

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## IN THE SENATE OF THE UNITED STATES

MARCH 3, 2026

Mr. GRASSLEY (for himself, Mr. DURBIN, Mr. CORNYN, Mr. WHITEHOUSE, Mr. GRAHAM, and Mr. COONS) introduced the following bill; which was read the first time

MARCH 4, 2026

Read the second time and placed on the calendar

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**A BILL**

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

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Bankruptcy Threshold  
5 Adjustment Act of 2026”.

1 **SEC. 2. DEBT LIMIT MODIFICATIONS.**

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

5 “(1) DEBTOR.—The term ‘debtor’—

6 “(A) subject to subparagraph (B), means a  
7 person engaged in commercial or business ac-  
8 tivities (including any affiliate of such person  
9 that is also a debtor under this title and exclud-  
10 ing a person whose primary activity is the busi-  
11 ness of owning single asset real estate) that has  
12 aggregate noncontingent liquidated secured and  
13 unsecured debts as of the date of the filing of  
14 the petition or the date of the order for relief  
15 in an amount not more than \$7,500,000 (ex-  
16 cluding debts owed to 1 or more affiliates or in-  
17 siders) not less than 50 percent of which arose  
18 from the commercial or business activities of  
19 the debtor; and

20 “(B) does not include—

21 “(i) any member of a group of affili-  
22 ated debtors under this title that has ag-  
23 gregate noncontingent liquidated secured  
24 and unsecured debts in an amount greater  
25 than \$7,500,000 (excluding debt owed to 1  
26 or more affiliates or insiders);

1                   “(ii) any debtor that is a corporation  
2                   subject to the reporting requirements  
3                   under section 13 or 15(d) of the Securities  
4                   Exchange Act of 1934 (15 U.S.C. 78m,  
5                   78o(d)); or

6                   “(iii) any debtor that is an affiliate of  
7                   a corporation described in clause (ii).”.

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

12           “(e) Only an individual with regular income that  
13 owes, on the date of the filing of the petition, noncontin-  
14 gent, liquidated debts that aggregate less than \$2,750,000  
15 or an individual with regular income and such individual’s  
16 spouse, except a stockbroker or a commodity broker, that  
17 owe, on the date of the filing of the petition, noncontin-  
18 gent, liquidated debts that aggregate less than \$2,750,000  
19 may be a debtor under chapter 13 of this title.”.

20 **SEC. 3. EFFECTIVE DATE.**

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

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