

116TH CONGRESS 2D SESSION

H. R. 6337

To amend the Internal Revenue Code of 1986 to create an epidemic tax credit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

March 23, 2020

Mr. Budd introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to create an epidemic tax credit, 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 "Epidemic Tax Credit
- 5 Act of 2020".
- 6 SEC. 2. EPIDEMIC TAX CREDIT.
- 7 (a) In General.—Subpart D of part IV of sub-
- 8 chapter A of chapter 1 of the Internal Revenue Code of
- 9 1986 is amended by adding at the end the following new
- 10 section:

1 "SEC. 45U. EPIDEMIC CREDIT.

2	"(a) General Rule.—For purposes of section 38,
3	the epidemic credit for any taxable year is an amount
4	equal to 90 percent of the amount of qualifying wages paid
5	by a qualified employer to qualifying employees.
6	"(b) Definitions.—For purposes of this section—
7	"(1) Qualifying wages.—The term 'quali-
8	fying wages' means wages paid to a qualifying em-
9	ployee who—
10	"(A) is on leave,
11	"(B) does not come to the workplace, and
12	"(C) performs no substantial work for the
13	employer.
14	"(2) Qualified employer.—The term 'quali-
15	fied employer' means any employer that is not a gov-
16	ernment employer.
17	"(3) GOVERNMENT EMPLOYER.—The term
18	'government employer' means—
19	"(A) the Federal Government,
20	"(B) any State government,
21	"(C) any government of a possession or
22	territory of the United States,
23	"(D) the Government of the District of Co-
24	lumbia,

1	"(E) the government of any county, city,
2	town, township, parish, village, or other general
3	purpose political subdivision of a State,
4	"(F) any Indian Tribal Government (as
5	defined in section 7701(a)(40)),
6	"(G) any foreign government, or
7	"(H) any international organization (as de-
8	fined in section $7701(a)(18)$).
9	"(4) Tax-exempt employer.—The term 'tax-
10	exempt employer' means—
11	"(A) any employer that is exempt from
12	taxation pursuant to subchapter F of chapter 1
13	of subtitle A, or
14	"(B) any other employer designated by the
15	Secretary as a tax-exempt employer for pur-
16	poses of this section.
17	"(5) QUALIFYING EMPLOYEE.—The term
18	'qualifying employee' means a person who—
19	"(A) has been an employee of the qualified
20	employer for at least one pay period preceding
21	the designation of the epidemic area where the
22	person's workplace is located,
23	"(B) normally performs substantially all of
24	the person's work in a designated epidemic
25	area,

1	"(C) is not a part-time employee (as de-
2	fined in section 4980E(d)(4)(B)), and
3	"(D) cannot, given the nature of the per-
4	son's employment, reasonably be expected to
5	telecommute.
6	"(6) EPIDEMIC AREA.—The term 'epidemic
7	area' means any county designated as an epidemic
8	area by the Director of the Centers for Disease Con-
9	trol and Prevention.
10	"(7) County.—For purposes of paragraph (6),
11	the term 'county' means—
12	"(A) any county or parish that is a sub-
13	division of a State,
14	"(B) a city or other political subdivision
15	that is functionally equivalent to a county or
16	parish,
17	"(C) a possession or territory of the
18	United States, or
19	"(D) the District of Columbia.
20	"(c) Limitation.—
21	"(1) MAXIMUM WEEKLY WAGE CREDITABLE.—
22	The amount of qualifying wages shall not exceed
23	\$2,000 with respect to any calendar week for any
24	qualifying employee.

1	"(2) Maximum leave period creditable.—
2	The amount of leave that may be taken into account
3	with respect to any qualifying employee under sub-
4	section (a) for any taxable year shall not exceed 8
5	calendar weeks.
6	"(d) EPIDEMIC AREA DESIGNATION.—
7	"(1) Designation.—The Director of the Cen-
8	ters for Disease Control and Prevention may des-
9	ignate as an epidemic area any county within the
10	United States provided that—
11	"(A) a public health emergency has been
12	declared pursuant to section 247d of title 42,
13	United States Code,
14	"(B) the Director finds that a substantial
15	number of cases of a communicable disease
16	have occurred in the United States and that
17	such communicable disease is reasonably ex-
18	pected to be life-threatening to at least one-half
19	of 1 percent of those that contract the disease,
20	"(C) the Director finds that risk of the in-
21	troduction, transmission, or spread of such
22	communicable disease will be substantially re-
23	duced by encouraging people not to come to
24	work within the county, and

"(D) the Director finds that a person or persons have been quarantined or otherwise isolated either within the county to be designated as an epidemic area, or within a county geo-graphically adjacent to the county to be des-ignated as an epidemic area, for the purpose of preventing the introduction, transmission, or spread of such communicable disease.

"(2) EPIDEMIC AREA LIST.—So long as there are any designated epidemic areas, the Director shall maintain a list of designated epidemic areas which shall provide the name of each designated epidemic area, the date on which the designation was made for each county and, if removed from the list, the date a county was removed from the list of designated epidemic areas. The epidemic area list shall be published at least weekly in the Federal Register. The epidemic area list shall be maintained and updated daily on the website of the Centers for Disease Control and Prevention.

- "(3) Limitation.—A county shall maintain its status as a declared epidemic area until the earlier of—
- 24 "(A) a finding by the Director that the 25 county is no longer an epidemic area; or

- "(B) 90 days after the declaration of the 1 2 county as an epidemic area. 3 "(e) Special Rule for Tax-Exempt Employ-4 ERS.— "(1) 5 TAX-EXEMPT EMPLOYERS ELIGIBLE.— 6 Tax-exempt employers are eligible to receive the 7 credit provided by this section notwithstanding their 8 tax-exemption. 9 "(2) APPLICATION REQUIRED.—Application for 10 payment of the epidemic credit to a tax-exempt em-11 ployer shall be in such form and contain such infor-12 mation as the Secretary shall prescribe. Any claim 13 for credit under this subsection by a tax-exempt em-14 ployer shall be filed within 6 months after the date 15 that the last qualifying wages were paid. "(3) Payment.—On proof satisfactory to the 16 17 Secretary that the epidemic credit is due to a tax-18 exempt employer, the Secretary shall make payment 19 to the tax-exempt employer.
- 20 "(f) Effective Date.—The amendment made by
- 21 this section shall apply to wages paid on or after the date
- 22 of the enactment of this Act. This section shall not apply
- 23 to wages paid after December 31, 2020.".
- 24 (b) General Business Credit.—Subsection (b) of
- 25 section 38 is amended by striking the period at the end

- 1 thereof, by striking the word "plus" in paragraph 32 and
- 2 by adding at the end thereof: "plus
- 3 "(34) the epidemic credit determined under sec-

4 tion 45U.".

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