

117TH CONGRESS
1ST SESSION

H. R. 435

To exclude from tax certain payments of Federal pandemic unemployment compensation, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 21, 2021

Ms. VELÁZQUEZ (for herself, Ms. NORTON, Ms. WILLIAMS of Georgia, Mr. SMITH of Washington, Ms. JAYAPAL, Mr. MEEKS, Mr. WELCH, Ms. SCHAKOWSKY, Ms. KAPTUR, Ms. TLAIB, Ms. WILD, Ms. NEWMAN, Ms. LEE of California, Ms. MENG, and Mr. NADLER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To exclude from tax certain payments of Federal pandemic unemployment compensation, 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 “Excluding Pandemic
5 Unemployment Compensation from Income Act”.

1 **SEC. 2. CERTAIN PAYMENTS OF FEDERAL PANDEMIC UN-**
2 **EMPLOYMENT COMPENSATION NOT INCLUD-**
3 **IBLE IN GROSS INCOME OR TAKEN INTO AC-**
4 **COUNT IN DETERMINING CERTAIN MEANS-**
5 **TESTED BENEFITS.**

6 (a) EXCLUSION FROM GROSS INCOME.—For pur-
7 poses of the Internal Revenue Code of 1986, gross income
8 shall not include the amount specified in section
9 2104(b)(3) of the CARES Act to the extent such amount
10 is received by the taxpayer pursuant to section 2102,
11 2104, or 2107 of such Act.

12 (b) DISREGARDED IN THE ADMINISTRATION OF FED-
13 ERAL PROGRAMS AND FEDERALLY ASSISTED PRO-
14 GRAMS.—For purposes of section 6409 of the Internal
15 Revenue Code of 1986, any amount excluded from gross
16 income under subsection (a) shall be treated in the same
17 manner as a refund under such Code.

18 (c) EFFECTIVE DATES.—

19 (1) EXCLUSION.—Subsection (a) shall apply to
20 taxable years ending after the date of the enactment
21 of the CARES Act.

22 (2) DISREGARD.—Subsection (b) shall apply to
23 amounts received after the date of the enactment of
24 the CARES Act.