

116TH CONGRESS
2D SESSION

S. 4999

To amend the Internal Revenue Code of 1986 to provide additional recovery rebates to individuals.

IN THE SENATE OF THE UNITED STATES

DECEMBER 10, 2020

Mr. HAWLEY introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide additional recovery rebates to individuals.

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 “Emergency Direct Pay-
5 ments for Families and Workers Act of 2020”.

6 **SEC. 2. ADDITIONAL RECOVERY REBATES FOR INDIVID-**
7 **UALS.**

8 (a) IN GENERAL.—Subchapter B of chapter 65 of
9 subtitle F of the Internal Revenue Code of 1986 is amend-

1 ed by inserting after section 6428 the following new sec-
 2 tion:

3 **“SEC. 6428A. ADDITIONAL RECOVERY REBATES FOR INDIVIDUALS.**
 4

5 “(a) IN GENERAL.—In the case of an eligible indi-
 6 vidual, there shall be allowed as a credit against the tax
 7 imposed by subtitle A for the first taxable year beginning
 8 in 2020 an amount equal to the sum of—

9 “(1) \$1,200 (\$2,400 in the case of eligible indi-
 10 viduals filing a joint return), plus

11 “(2) an amount equal to the product of \$500
 12 multiplied by the number of qualifying children
 13 (within the meaning of section 24(c)) of the tax-
 14 payer.

15 “(b) TREATMENT OF CREDIT.—The credit allowed by
 16 subsection (a) shall be treated as allowed by subpart C
 17 of part IV of subchapter A of chapter 1.

18 “(c) LIMITATION BASED ON ADJUSTED GROSS IN-
 19 COME.—The amount of the credit allowed by subsection
 20 (a) (determined without regard to this subsection and sub-
 21 section (e)) shall be reduced (but not below zero) by 5
 22 percent of so much of the taxpayer’s adjusted gross in-
 23 come as exceeds—

24 “(1) \$150,000 in the case of a joint return,

1 “(2) \$112,500 in the case of a head of house-
2 hold, and

3 “(3) \$75,000 in the case of a taxpayer not de-
4 scribed in paragraph (1) or (2).

5 “(d) ELIGIBLE INDIVIDUAL.—For purposes of this
6 section, the term ‘eligible individual’ means any individual
7 other than—

8 “(1) any nonresident alien individual,

9 “(2) any individual with respect to whom a de-
10 duction under section 151 is allowable to another
11 taxpayer for a taxable year beginning in the cal-
12 endar year in which the individual’s taxable year be-
13 gins, and

14 “(3) an estate or trust.

15 “(e) COORDINATION WITH ADVANCE REFUNDS OF
16 CREDIT.—

17 “(1) IN GENERAL.—The amount of credit
18 which would (but for this paragraph) be allowable
19 under this section shall be reduced (but not below
20 zero) by the aggregate refunds and credits made or
21 allowed to the taxpayer under subsection (f). Any
22 failure to so reduce the credit shall be treated as
23 arising out of a mathematical or clerical error and
24 assessed according to section 6213(b)(1).

1 “(2) JOINT RETURNS.—In the case of a refund
 2 or credit made or allowed under subsection (f) with
 3 respect to a joint return, half of such refund or cred-
 4 it shall be treated as having been made or allowed
 5 to each individual filing such return.

6 “(f) ADVANCE REFUNDS AND CREDITS.—

7 “(1) IN GENERAL.—Subject to paragraph (5),
 8 each individual who was an eligible individual for
 9 such individual’s first taxable year beginning in
 10 2019 shall be treated as having made a payment
 11 against the tax imposed by chapter 1 for such tax-
 12 able year in an amount equal to the advance refund
 13 amount for such taxable year.

14 “(2) ADVANCE REFUND AMOUNT.—For pur-
 15 poses of paragraph (1), the advance refund amount
 16 is the amount that would have been allowed as a
 17 credit under this section for such taxable year if this
 18 section (other than subsection (e) and this sub-
 19 section) had applied to such taxable year.

20 “(3) TIMING AND MANNER OF PAYMENTS.—

21 “(A) TIMING.—The Secretary shall, sub-
 22 ject to the provisions of this title, refund or
 23 credit any overpayment attributable to this sec-
 24 tion as rapidly as possible. No refund or credit

1 shall be made or allowed under this subsection
2 after December 31, 2021.

3 “(B) DELIVERY OF PAYMENTS.—Notwith-
4 standing any other provision of law, the Sec-
5 retary may certify and disburse refunds payable
6 under this subsection electronically to any ac-
7 count to which the payee authorized, on or after
8 January 1, 2018, the delivery of a refund of
9 taxes under this title or of a Federal payment
10 (as defined in section 3332 of title 31, United
11 States Code).

12 “(C) WAIVER OF CERTAIN RULES.—Not-
13 withstanding section 3325 of title 31, United
14 States Code, or any other provision of law, with
15 respect to any payment of a refund under this
16 subsection, a disbursing official in the executive
17 branch of the United States Government may
18 modify payment information received from an
19 officer or employee described in section
20 3325(a)(1)(B) of such title for the purpose of
21 facilitating the accurate and efficient delivery of
22 such payment. Except in cases of fraud or reck-
23 less neglect, no liability under sections 3325,
24 3527, 3528, or 3529 of title 31, United States

1 Code, shall be imposed with respect to pay-
2 ments made under this subparagraph.

3 “(4) NO INTEREST.—No interest shall be al-
4 lowed on any overpayment attributable to this sec-
5 tion.

6 “(5) ALTERNATE TAXABLE YEAR.—In the case
7 of an individual who, at the time of any determina-
8 tion made pursuant to paragraph (3), has not filed
9 a tax return for the year described in paragraph (1),
10 the Secretary may—

11 “(A) apply such paragraph by substituting
12 ‘2018’ for ‘2019’, and

13 “(B) if the individual has not filed a tax
14 return for such individual’s first taxable year
15 beginning in 2018, use information with respect
16 to such individual for calendar year 2019 pro-
17 vided in—

18 “(i) Form SSA–1099, Social Security
19 Benefit Statement, or

20 “(ii) Form RRB–1099, Social Secu-
21 rity Equivalent Benefit Statement.

22 “(6) NOTICE TO TAXPAYER.—Not later than 15
23 days after the date on which the Secretary distrib-
24 uted any payment to an eligible taxpayer pursuant
25 to this subsection, notice shall be sent by mail to

1 such taxpayer's last known address. Such notice
 2 shall indicate the method by which such payment
 3 was made, the amount of such payment, and a
 4 phone number for the appropriate point of contact
 5 at the Internal Revenue Service to report any failure
 6 to receive such payment.

7 “(g) IDENTIFICATION NUMBER REQUIREMENT.—

8 “(1) IN GENERAL.—No credit shall be allowed
 9 under subsection (a) to an eligible individual who
 10 does not include on the return of tax for the taxable
 11 year—

12 “(A) such individual's valid identification
 13 number,

14 “(B) in the case of a joint return, the valid
 15 identification number of such individual's
 16 spouse, and

17 “(C) in the case of any qualifying child
 18 taken into account under subsection (a)(2), the
 19 valid identification number of such qualifying
 20 child.

21 “(2) VALID IDENTIFICATION NUMBER.—

22 “(A) IN GENERAL.—For purposes of para-
 23 graph (1), the term ‘valid identification num-
 24 ber’ means a social security number (as such
 25 term is defined in section 24(h)(7)).

1 “(B) ADOPTION TAXPAYER IDENTIFICA-
 2 TION NUMBER.—For purposes of paragraph
 3 (1)(C), in the case of a qualifying child who is
 4 adopted or placed for adoption, the term ‘valid
 5 identification number’ shall include the adop-
 6 tion taxpayer identification number of such
 7 child.

8 “(3) SPECIAL RULE FOR MEMBERS OF THE
 9 ARMED FORCES.—Paragraph (1)(B) shall not apply
 10 in the case where at least 1 spouse was a member
 11 of the Armed Forces of the United States at any
 12 time during the taxable year and at least 1 spouse
 13 satisfies paragraph (1)(A).

14 “(4) MATHEMATICAL OR CLERICAL ERROR AU-
 15 THORITY.—Any omission of a correct valid identi-
 16 fication number required under this subsection shall
 17 be treated as a mathematical or clerical error for
 18 purposes of applying section 6213(g)(2) to such
 19 omission.

20 “(h) REGULATIONS.—The Secretary shall prescribe
 21 such regulations or other guidance as may be necessary
 22 to carry out the purposes of this section, including any
 23 such measures as are deemed appropriate to avoid allow-
 24 ing multiple credits or rebates to a taxpayer.”.

25 (b) ADMINISTRATIVE AMENDMENTS.—

1 (1) DEFINITION OF DEFICIENCY.—Section
 2 6211(b)(4)(A) of the Internal Revenue Code of 1986
 3 is amended by striking “and 6428” and inserting
 4 “6428, and 6428A”.

5 (2) MATHEMATICAL OR CLERICAL ERROR AU-
 6 THORITY.—Section 6213(g)(2)(L) of such Code is
 7 amended by striking “or 6428” and inserting “6428,
 8 or 6428A”.

9 (c) TREATMENT OF POSSESSIONS.—

10 (1) PAYMENTS TO POSSESSIONS.—

11 (A) MIRROR CODE POSSESSION.—The Sec-
 12 retary of the Treasury shall pay to each posses-
 13 sion of the United States which has a mirror
 14 code tax system amounts equal to the loss (if
 15 any) to that possession by reason of the amend-
 16 ments made by this section. Such amounts shall
 17 be determined by the Secretary of the Treasury
 18 based on information provided by the govern-
 19 ment of the respective possession.

20 (B) OTHER POSSESSIONS.—The Secretary
 21 of the Treasury shall pay to each possession of
 22 the United States which does not have a mirror
 23 code tax system amounts estimated by the Sec-
 24 retary of the Treasury as being equal to the ag-
 25 gregate benefits (if any) that would have been

provided to residents of such possession by reason of the amendments made by this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to its residents.

(2) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed against United States income taxes under section 6428A of the Internal Revenue Code of 1986 (as added by this section) to any person—

(A) to whom a credit is allowed against taxes imposed by the possession by reason of the amendments made by this section, or

(B) who is eligible for a payment under a plan described in paragraph (1)(B).

(3) DEFINITIONS AND SPECIAL RULES.—

(A) POSSESSION OF THE UNITED STATES.—For purposes of this subsection, the term “possession of the United States” includes the Commonwealth of Puerto Rico and the

1 Commonwealth of the Northern Mariana Is-
2 lands.

3 (B) MIRROR CODE TAX SYSTEM.—For pur-
4 poses of this subsection, the term “mirror code
5 tax system” means, with respect to any posses-
6 sion of the United States, the income tax sys-
7 tem of such possession if the income tax liabil-
8 ity of the residents of such possession under
9 such system is determined by reference to the
10 income tax laws of the United States as if such
11 possession were the United States.

12 (C) TREATMENT OF PAYMENTS.—For pur-
13 poses of section 1324 of title 31, United States
14 Code, the payments under this subsection shall
15 be treated in the same manner as a refund due
16 from a credit provision referred to in subsection
17 (b)(2) of such section.

18 (d) EXCEPTION FROM REDUCTION OR OFFSET.—
19 Any credit or refund allowed or made to any individual
20 by reason of section 6428A of the Internal Revenue Code
21 of 1986 (as added by this section) or by reason of sub-
22 section (c) of this section shall not be—

23 (1) subject to reduction or offset pursuant to
24 section 3716 or 3720A of title 31, United States
25 Code,

1 (2) subject to reduction or offset pursuant to
 2 subsection (d), (e), or (f) of section 6402 of the In-
 3 ternal Revenue Code of 1986, or

4 (3) reduced or offset by other assessed Federal
 5 taxes that would otherwise be subject to levy or col-
 6 lection.

7 (e) PUBLIC AWARENESS CAMPAIGN.—The Secretary
 8 of the Treasury (or the Secretary’s delegate) shall conduct
 9 a public awareness campaign, in coordination with the
 10 Commissioner of Social Security and the heads of other
 11 relevant Federal agencies, to provide information regard-
 12 ing the availability of the credit and rebate allowed under
 13 section 6428A of the Internal Revenue Code of 1986 (as
 14 added by this section), including information with respect
 15 to individuals who may not have filed a tax return for tax-
 16 able year 2018 or 2019.

17 (f) CONFORMING AMENDMENTS.—

18 (1) Paragraph (2) of section 1324(b) of title
 19 31, United States Code, is amended by inserting
 20 “6428A,” after “6428,”.

21 (2) The table of sections for subchapter B of
 22 chapter 65 of subtitle F of the Internal Revenue
 23 Code of 1986 is amended by inserting after the item
 24 relating to section 6428 the following:

“Sec. 6428A. Additional recovery rebates for individuals.”.

