

117TH CONGRESS
1ST SESSION

H. R. 4342

To establish a pilot program providing certain individuals with a guaranteed monthly income, to study the effect of a guaranteed monthly income on such individuals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 1, 2021

Mrs. WATSON COLEMAN (for herself, Mr. TORRES of New York, Mr. BOWMAN, Ms. OCASIO-CORTEZ, Mr. DANNY K. DAVIS of Illinois, and Mr. BLUMENAUER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To establish a pilot program providing certain individuals with a guaranteed monthly income, to study the effect of a guaranteed monthly income on such individuals, 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 “Guaranteed Income
5 Pilot Program Act of 2021”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Too many Americans cannot achieve finan-
2 cial stability due to income volatility, the rising cost
3 of living, wage stagnation, and a lack of affordable
4 housing.

5 (2) Real wages have failed to keep pace with in-
6 flation, meaning the purchasing power of American
7 households has not changed in 40 years.

8 (3) Income volatility, defined as an annual in-
9 come fluctuation of 25 percent or more, impacts
10 nearly half of the United States population.

11 (4) Thirty-six percent of American households
12 indicate that they would face difficulty covering a
13 \$400 emergency expense with readily available cash
14 or a checking account. There are significant dispari-
15 ties based on race and ethnicity: While only 38 per-
16 cent of White households report difficulty meeting
17 an unexpected \$400 expense, the same is true for
18 more than half of Black and Latinx households.

19 (5) Full-time minimum wage earners cannot af-
20 ford an average 2-bedroom apartment anywhere in
21 the United States.

22 (6) The changing nature of the economy, in-
23 cluding the rise of the gig economy, unemployment
24 risks posed by automation, and the fluctuating na-

1 ture of waged labor, will result in increased income
2 volatility and prohibit upward economic mobility.

3 **SEC. 3. GUARANTEED INCOME PILOT PROGRAM.**

4 (a) IN GENERAL.—The Secretary, in consultation
5 with the Commissioner of Internal Revenue, shall establish
6 and implement a 3-year pilot program (hereinafter re-
7 ferred to as the “program”) to provide a guaranteed
8 monthly income to certain eligible individuals in accord-
9 ance with this section.

10 (b) INCOME SUBSIDY.—

11 (1) SELECTION OF PARTICIPATING ELIGIBLE
12 INDIVIDUALS.—The Secretary, in consultation with
13 the Commissioner and the external partner selected
14 pursuant to subsection (d), shall develop selection
15 criteria that the Secretary will use to select 12,000
16 total eligible individuals for participation in the pro-
17 gram.

18 (2) AMOUNT OF INCOME SUBSIDY.—Of the eli-
19 gible individuals participating in the program, 6,000
20 shall receive a cash payment each month equal to
21 the fair market rent for a 2-bedroom home in the
22 zip code in which the eligible individual resides, or
23 a substantially similar amount as determined by the
24 Secretary, in consultation with the Commissioner
25 and the external partner.

1 (3) MONTHLY DISTRIBUTION OF INCOME SUB-
2 SIDY.—Each participating eligible individual shall
3 receive the cash payment on the 15th day of each
4 month.

5 (c) RESPONSIBILITIES OF COMMISSIONER OF INTER-
6 NAL REVENUE.—The Commissioner of Internal Revenue
7 shall be responsible for—

8 (1) providing the Secretary access to tax
9 records to administer and study the program under
10 this section;

11 (2) updating the Secretary and the external
12 partner on changes to the taxable income of a par-
13 ticipating eligible individual.

14 (d) EXTERNAL PARTNER.—

15 (1) SELECTION.—The Secretary shall select an
16 external partner to provide assistance with the de-
17 sign, administration, and evaluation of the program.

18 (2) QUALIFICATIONS.—An organization selected
19 to be the external partner shall have demonstrated
20 experience in—

21 (A) mixed-methods experimental design;

22 and

23 (B) implementing cash-transfer programs.

24 (3) CONFIDENTIALITY.—The external partner,
25 and any employee of the external partner, shall be

1 treated as a Federal employee for purposes of sec-
2 tion 6103 of the Internal Revenue Code of 1986.

3 (4) DATA COLLECTION.—The external partner
4 shall collect data from participating eligible individ-
5 uals as necessary to complete the study and reports
6 required under section 4, and to conduct any addi-
7 tional research as the Secretary determines nec-
8 essary.

9 (e) DISREGARD OF CASH PAYMENTS FOR PURPOSES
10 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
11 GRAMS.—Notwithstanding any other provision of law, any
12 payment made to participating eligible individuals under
13 this section shall not be taken into account as income, and
14 shall not be taken into account as resources for a period
15 of 12 months from receipt, for purposes of determining
16 the eligibility of such eligible individual (or any other indi-
17 vidual) for benefits or assistance (or the amount or extent
18 of benefits or assistance) under any Federal program or
19 any State or local program financed in whole or in part
20 with Federal funds.

21 **SEC. 4. STUDY AND REPORT.**

22 (a) STUDY ON PILOT PROGRAM.—The Secretary, in
23 collaboration with the Commissioner and the external
24 partner, shall conduct a study on outcomes of the pro-
25 gram.

1 (b) INTERIM REPORT.—Not later than 24 months
2 after participating eligible individuals have been begun
3 participating in the program, the Secretary, in consulta-
4 tion with the Commissioner of Internal Revenue and the
5 external partner, shall provide an interim report on the
6 program under section 3 to the Congress.

7 (c) FINAL REPORT.—Not later than 12 months after
8 the conclusion of the program under section 3, the Sec-
9 retary, in consultation with the Commissioner of Internal
10 Revenue and the external partner, shall provide a final re-
11 port on the program to the Congress, including an analysis
12 of—

13 (1) the effect of the monthly income subsidy
14 provided in section 3 on—

15 (A) micro-economic outcomes of partici-
16 pating eligible individuals;

17 (B) the health of participating eligible indi-
18 viduals;

19 (C) the social costs of income volatility, in-
20 cluding connections with income fluctuation and
21 health, education, employment, childcare, and
22 other outcomes as determined appropriate by
23 the Secretary; and

1 (2) the feasibility of expanding the program
2 under section 3 to include a larger number of par-
3 ticipants.

4 **SEC. 5. DEFINITIONS.**

5 In this Act:

6 (1) **COMMISSIONER.**—The term “Commis-
7 sioner” means the Commissioner of the Internal
8 Revenue Service.

9 (2) **ELIGIBLE INDIVIDUAL.**—The term “eligible
10 individual” means an individual taxpayer between
11 the ages of 18–65.

12 (3) **EXTERNAL PARTNER.**—The term “external
13 partner” means a non-partisan research agency or a
14 non-profit academic institution with expertise in so-
15 cial science experimentation.

16 (4) **FAIR MARKET RENT.**—The term “fair mar-
17 ket rent” means the applicable fair market rent es-
18 tablished under section 8(c) of the United States
19 Housing Act of 1937 (42 U.S.C. 1437f(e)).

20 (5) **SECRETARY.**—The term “Secretary” means
21 the Secretary of Health and Human Services.

1 **SEC. 6. AUTHORIZATION OF APPROPRIATIONS.**

2 There is authorized to be appropriated to carry out
3 this Act \$285,000,000 for each of the fiscal years 2022
4 through 2025.

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