

117TH CONGRESS  
1ST SESSION

# H. R. 524

To amend the Internal Revenue Code of 1986 to provide advance tax refunds to small businesses, and for other purposes.

---

## IN THE HOUSE OF REPRESENTATIVES

JANUARY 28, 2021

Ms. DEAN (for herself and Mr. KILMER) 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 provide advance tax refunds to small businesses, 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 “Restore America’s  
5 Main Street Act of 2021”.

6 **SEC. 2. SMALL BUSINESS REBATE.**

7 (a) IN GENERAL.—Subchapter B of chapter 65 of  
8 subtitle F of the Internal Revenue Code of 1986 is amend-  
9 ed by inserting after section 6428A the following new sec-  
10 tion:

1 **“SEC. 6428B. SMALL BUSINESS REBATE.**

2 “(a) ALLOWANCE OF CREDIT.—

3 “(1) IN GENERAL.—In the case of a qualifying  
4 business, there shall be allowed as a credit against  
5 the tax imposed by subtitle A for the first taxable  
6 year beginning in 2021 an amount equal to the less-  
7 er of—

8 “(A) 30 percent of qualified gross receipts  
9 of such qualifying business for the first taxable  
10 year beginning in 2019, or

11 “(B) \$120,000.

12 “(2) SPECIAL RULE.—In the case of a quali-  
13 fying business or sole proprietorship which was not  
14 formed or active in the taxable year described in  
15 paragraph (1)(A), such paragraph shall be applied  
16 by substituting ‘2020’ for ‘2019’.

17 “(3) QUALIFIED GROSS RECEIPTS.—For pur-  
18 poses of paragraph (1)(A), the term ‘qualified gross  
19 receipts’ means gross receipts of the qualifying busi-  
20 ness which are effectively connected with the conduct  
21 of a trade or business within the United States  
22 (within the meaning of section 864(c), determined  
23 by substituting ‘qualifying business’ for ‘nonresident  
24 alien individual or a foreign corporation’ or for ‘for-  
25 eign corporation’ each place it appears) for the ap-

1 applicable taxable year under paragraph (1)(A), as re-  
2 ported by the taxpayer on—

3 “(A) in the case of a qualifying business  
4 which is a partnership, the return required to  
5 be filed under section 6031,

6 “(B) in the case of a qualifying business  
7 which is an S corporation, the return required  
8 to be filed under section 6037, and

9 “(C) in the case of any other qualifying  
10 business, the return of tax for the taxable year.

11 “(b) QUALIFYING BUSINESS.—

12 “(1) IN GENERAL.—For purposes of this sec-  
13 tion, the term ‘qualifying business’ means any per-  
14 son which—

15 “(A) meets the gross receipts test of sub-  
16 section (c) of section 448 for the applicable tax-  
17 able year under subsection (a)(1)(A), except  
18 that subsection (c) of section 448 shall be ap-  
19 plied—

20 “(i) without regard to paragraph (4)  
21 of such subsection, and

22 “(ii) by substituting ‘\$1,500,000’ for  
23 ‘\$25,000,000’, and

24 “(B) with respect to the preceding cal-  
25 endar year, employed an average of not greater

1           than 50 full-time employees (as such term is  
2           defined in paragraph (4) of section 4980H(e))  
3           on business days during such calendar year.

4           “(2) SPECIAL RULE.—For purposes of para-  
5           graph (1)(A), in the case of any taxpayer which is  
6           not a corporation or a partnership, the gross re-  
7           ceipts test of section 448(c) shall be applied in the  
8           same manner as if such taxpayer were a corporation  
9           or partnership.

10           “(3) FULL-TIME EQUIVALENTS.—For purposes  
11           of paragraph (1)(B), the number of full-time em-  
12           ployees shall be determined pursuant to rules similar  
13           to the rules described in paragraph (2)(E) of section  
14           4980H(e).

15           “(4) AGGREGATION RULES.—All persons treat-  
16           ed as a single employer under subsection (a) or (b)  
17           of section 52 or subsection (m) or (o) of section 414  
18           shall be treated as a single person for purposes of  
19           paragraph (1)(B).

20           “(5) QUALIFIED ORGANIZATIONS.—

21           “(A) INCLUSION AS QUALIFYING BUSI-  
22           NESS.—

23           “(i) IN GENERAL.—For purposes of  
24           this section, the term ‘qualifying business’  
25           shall include any qualified organization.

1           “(ii) DEFINITION.—For purposes of  
2 this paragraph, the term ‘qualified organi-  
3 zation’ means an organization which—

4                   “(I) is described in section  
5 501(c)(3) and exempt from tax under  
6 section 501(a),

7                   “(II) is described in section  
8 170(b)(1)(A),

9                   “(III) is not described in section  
10 509(a)(3), and

11                   “(IV) satisfies the requirements  
12 under subparagraphs (A) and (B) of  
13 paragraph (1).

14           “(B) QUALIFIED GROSS RECEIPTS.—

15                   “(i) IN GENERAL.—For purposes of  
16 subsection (a)(1)(A), in the case of a quali-  
17 fied organization, the term ‘qualified gross  
18 receipts’ means gross receipts of the orga-  
19 nization for the taxable year described in  
20 such subsection.

21                   “(ii) SPECIAL RULE.—In the case of a  
22 qualified organization which did not file a  
23 tax return for the taxable year described in  
24 subsection (a)(1)(A), such subsection shall

1 be applied by substituting ‘2020’ for  
2 ‘2019’.

3 “(iii) ORGANIZATION EXEMPT FROM  
4 FILING.—

5 “(I) IN GENERAL.—In the case  
6 of an organization which is exempt  
7 from filing a return pursuant to sec-  
8 tion 6033(a) or which is not required  
9 to include in such return the informa-  
10 tion necessary to determine the  
11 amount of the credit allowed under  
12 this section, such organization may  
13 submit to the Secretary (in such form  
14 and manner as is deemed appropriate  
15 by the Secretary) any information re-  
16 quired for purposes of determining—

17 “(aa) whether such organi-  
18 zation satisfies the requirements  
19 under subparagraphs (A) and  
20 (B) of paragraph (1), and

21 “(bb) the amount of the  
22 credit allowed under subsection  
23 (a)(1).

24 “(II) PUBLICITY OF INFORMA-  
25 TION.—For purposes of section 6104,

1                   any information submitted by an or-  
2                   ganization under subclause (I) shall  
3                   be deemed to be information required  
4                   to be furnished by such organization  
5                   pursuant to section 6033.

6           “(c) TREATMENT OF CREDIT.—The credit allowed by  
7 subsection (a) shall be treated as allowed by subpart C  
8 of part IV of subchapter A of chapter 1.

9           “(d) COORDINATION WITH ADVANCE REFUNDS OF  
10 CREDIT.—The amount of credit which would (but for this  
11 subsection) be allowable under this section shall be re-  
12 duced (but not below zero) by the aggregate refunds and  
13 credits made or allowed to the taxpayer under subsection  
14 (e). Any failure to so reduce the credit shall be treated  
15 as arising out of a mathematical or clerical error and as-  
16 sessed according to section 6213(b)(1).

17           “(e) ADVANCE REFUNDS AND CREDITS.—

18                   “(1) IN GENERAL.—Any person which was a  
19                   qualifying business for such person’s last taxable  
20                   year ending before January 1, 2021, shall be treated  
21                   as having made a payment against the tax imposed  
22                   by chapter 1 for such taxable year in an amount  
23                   equal to the advance refund amount for such taxable  
24                   year, regardless of whether such tax would have  
25                   been imposed on such person.

1           “(2) ADVANCE REFUND AMOUNT.—For pur-  
2           poses of paragraph (1), the advance refund amount  
3           is the amount that would have been allowed as a  
4           credit under this section for such taxable year if this  
5           section (other than subsection (d) and this sub-  
6           section) had applied to such taxable year.

7           “(3) TIMING OF PAYMENTS.—The Secretary  
8           shall, subject to the provisions of this title, refund  
9           or credit any overpayment attributable to this sec-  
10          tion as rapidly as possible. No refund or credit shall  
11          be made or allowed under this subsection after De-  
12          cember 31, 2021.

13          “(4) NO INTEREST.—No interest shall be al-  
14          lowed on any overpayment attributable to this sec-  
15          tion.”.

16          (b) CONFORMING AMENDMENTS.—

17                 (1) DEFINITION OF DEFICIENCY.—Section  
18                 6211(b)(4)(A) of the Internal Revenue Code of 1986  
19                 is amended by striking “6428, and 6428A” and in-  
20                 serting “6428, 6428A, and 6428B”.

21                 (2) Paragraph (2) of section 1324(b) of title  
22                 31, United States Code, is amended by inserting  
23                 “6428B,” after “6428A,”.

24                 (3) The table of sections for subchapter B of  
25                 chapter 65 of subtitle F of the Internal Revenue



- 1 Code of 1986 is amended by inserting after the item
- 2 relating to section 6428A the following:

“Sec. 6428B. Small business rebate.”

○