

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

1 “(D) the Director finds that a person or
2 persons have been quarantined or otherwise iso-
3 lated either within the county to be designated
4 as an epidemic area, or within a county geo-
5 graphically adjacent to the county to be des-
6 ignated as an epidemic area, for the purpose of
7 preventing the introduction, transmission, or
8 spread of such communicable disease.

9 “(2) EPIDEMIC AREA LIST.—So long as there
10 are any designated epidemic areas, the Director shall
11 maintain a list of designated epidemic areas which
12 shall provide the name of each designated epidemic
13 area, the date on which the designation was made
14 for each county and, if removed from the list, the
15 date a county was removed from the list of des-
16 ignated epidemic areas. The epidemic area list shall
17 be published at least weekly in the Federal Register.
18 The epidemic area list shall be maintained and up-
19 dated daily on the website of the Centers for Disease
20 Control and Prevention.

21 “(3) LIMITATION.—A county shall maintain its
22 status as a declared epidemic area until the earlier
23 of—

24 “(A) a finding by the Director that the
25 county is no longer an epidemic area; or

1 “(B) 90 days after the declaration of the
2 county as an epidemic area.

3 “(e) SPECIAL RULE FOR TAX-EXEMPT EMPLOY-
4 ERS.—

5 “(1) 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.

16 “(3) PAYMENT.—On proof satisfactory to the
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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