

116TH CONGRESS
2D SESSION

H. R. 6629

To provide a payroll tax credit to employers for employee bonuses.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2020

Mr. HUIZENGA introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide a payroll tax credit to employers for employee bonuses.

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 “Patriot Bonus Tax
5 Credit Act of 2020”.

6 **SEC. 2. PAYROLL TAX CREDIT TO EMPLOYERS FOR EM-**
7 **PLOYEE BONUSES.**

8 (a) IN GENERAL.—In the case of an employer, there
9 shall be allowed as a credit against applicable employment
10 taxes for each calendar quarter an amount equal to 50

1 percent of the qualified bonuses with respect to each em-
2 ployee of such employer for such calendar quarter.

3 (b) LIMITATIONS AND REFUNDABILITY.—

4 (1) BONUSES TAKEN INTO ACCOUNT.—The
5 amount of qualified bonuses with respect to any em-
6 ployee which may be taken into account under sub-
7 section (a) by the employer for all calendar quarters
8 shall not exceed \$25,000.

9 (2) CREDIT LIMITED TO EMPLOYMENT
10 TAXES.—The credit allowed by subsection (a) with
11 respect to any calendar quarter shall not exceed the
12 applicable employment taxes (reduced by any credits
13 allowed under subsections (e) and (f) of section
14 3111 of the Internal Revenue Code of 1986, sections
15 7001 and 7003 of the Families First Coronavirus
16 Response Act, and section 2301 of the CARES Act)
17 on the wages paid with respect to the employment
18 of all the employees of the employer for such cal-
19 endar quarter.

20 (3) REFUNDABILITY OF EXCESS CREDIT.—

21 (A) IN GENERAL.—If the amount of the
22 credit under subsection (a) exceeds the limita-
23 tion of paragraph (2) for any calendar quarter,
24 such excess shall be treated as an overpayment
25 that shall be refunded under sections 6402(a)

1 and 6413(b) of the Internal Revenue Code of
2 1986.

3 (B) TREATMENT OF PAYMENTS.—For pur-
4 poses of section 1324 of title 31, United States
5 Code, any amounts due to the employer under
6 this paragraph shall be treated in the same
7 manner as a refund due from a credit provision
8 referred to in subsection (b)(2) of such section.

9 (c) DEFINITIONS.—For purposes of this section—

10 (1) APPLICABLE EMPLOYMENT TAXES.—The
11 term “applicable employment taxes” means the fol-
12 lowing:

13 (A) The taxes imposed under section
14 3111(a) of the Internal Revenue Code of 1986.

15 (B) So much of the taxes imposed under
16 section 3221(a) of such Code as are attrib-
17 utable to the rate in effect under section
18 3111(a) of such Code.

19 (2) QUALIFIED BONUS.—The term “qualified
20 bonus” means any wages paid by an employer to an
21 employee for any period with respect to a period for
22 which such employee is providing services to such
23 employer. Such term shall not include any wages ex-
24 cept to the extent that such wages are in excess of
25 the wages which would ordinarily be paid to such

1 employee. Wages not ordinarily paid to an employee
2 include amounts paid by the employer in excess of
3 the necessary and customary amounts paid to the
4 employee under normal business circumstances.
5 Such amounts include, but are not limited to, ex-
6 traordinary payments for overtime or hazardous pay,
7 supplemental payments or allowances given to the
8 employee whether for the convenience of the em-
9 ployer or otherwise, sequestration payments to retain
10 staff at essential facilities, or other payments for
11 services rendered which the employee would not be
12 accustomed to receiving absent the extraordinary
13 business and economic conditions existing during the
14 applicable period.

15 (3) SECRETARY.—The term “Secretary” means
16 the Secretary of the Treasury or the Secretary’s del-
17 egate.

18 (4) WAGES.—The term “wages” means wages
19 (as defined in section 3121(a) of the Internal Rev-
20 enue Code of 1986) and compensation (as defined in
21 section 3231(e) of such Code).

22 (5) OTHER TERMS.—Any term used in this sec-
23 tion which is also used in chapter 21 or 22 of the
24 Internal Revenue Code of 1986 shall have the same
25 meaning as when used in such chapter.

1 (d) CERTAIN RULES TO APPLY.—For purposes of
2 this section, rules similar to the rules of sections 51(i)(1)
3 and 280C(a) of the Internal Revenue Code of 1986 shall
4 apply.

5 (e) CERTAIN GOVERNMENTAL EMPLOYERS.—This
6 credit shall not apply to the Government of the United
7 States, the government of any State or political subdivi-
8 sion thereof, or any agency or instrumentality of any of
9 the foregoing.

10 (f) ELECTION NOT TO HAVE SECTION APPLY.—This
11 section shall not apply with respect to any employer for
12 any calendar quarter if such employer elects (at such time
13 and in such manner as the Secretary may prescribe) not
14 to have this section apply.

15 (g) THIRD-PARTY PAYORS.—Any credit allowed
16 under this section shall be treated as a credit described
17 in section 3511(d)(2) of such Code.

18 (h) TRANSFERS TO FEDERAL OLD-AGE AND SUR-
19 VIVORS INSURANCE TRUST FUND.—There are hereby ap-
20 propriated to the Federal Old-Age and Survivors Insur-
21 ance Trust Fund and the Federal Disability Insurance
22 Trust Fund established under section 201 of the Social
23 Security Act (42 U.S.C. 401) and the Social Security
24 Equivalent Benefit Account established under section
25 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C.

1 14 231n–1(a)) amounts equal to the reduction in revenues
2 to the Treasury by reason of this section (without regard
3 to this subsection). Amounts appropriated by the pre-
4 ceding sentence shall be transferred from the general fund
5 at such times and in such manner as to replicate to the
6 extent possible the transfers which would have occurred
7 to such Trust Fund or Account had this section not been
8 enacted.

9 (i) TREATMENT OF DEPOSITS.—The Secretary shall
10 waive any penalty under section 6656 of the Internal Rev-
11 enue Code of 1986 for any failure to make a deposit of
12 any applicable employment taxes if the Secretary deter-
13 mines that such failure was due to the reasonable anticipa-
14 tion of the credit allowed under this section.

15 (j) REGULATIONS AND GUIDANCE.—The Secretary
16 shall issue such forms, instructions, regulations, and guid-
17 ance as are necessary—

18 (1) to allow the advance payment of the credit
19 under subsection (a), subject to the limitations pro-
20 vided in this section, based on such information as
21 the Secretary shall require;

22 (2) to provide for the reconciliation of such ad-
23 vance payment with the amount advanced at the
24 time of filing the return of tax for the applicable cal-
25 endar quarter or taxable year; and

(3) with respect to the application of the credit under subsection (a) to third-party payors (including professional employer organizations, certified professional employer organizations, or agents under section 3504 of the Internal Revenue Code of 1986).

6 (k) APPLICATION.—This section shall only apply to
7 qualified bonuses paid after March 12, 2020, and before
8 January 1, 2021.

