

119TH CONGRESS
2D SESSION

S. 4310

To amend the Internal Revenue Code of 1986 to allow a deduction for certain overtime compensation.

IN THE SENATE OF THE UNITED STATES

APRIL 15 (legislative day, APRIL 14), 2026

Mr. JUSTICE 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 allow a deduction for certain overtime compensation.

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 “No Tax on Overtime
5 for All Workers Act”.

6 **SEC. 2. DEDUCTION FOR CERTAIN OVERTIME COMPENSA-**
7 **TION.**

8 (a) IN GENERAL.—Section 225(c)(1) of the Internal
9 Revenue Code of 1986 is amended to read as follows:

1 “(1) IN GENERAL.—For purposes of this sec-
2 tion, the term ‘qualified overtime compensation’
3 means—

4 “(A) any overtime compensation paid to an
5 individual required under section 7 of the Fair
6 Labor Standards Act of 1938 that is in excess
7 of the regular rate (as used in such section) at
8 which such individual is employed, or

9 “(B) any compensation paid to an indi-
10 vidual that is in excess of the regular rate at
11 which such individual is employed if—

12 “(i) such compensation is paid for
13 work for a single employer pursuant to an
14 agreement between the employee (or labor
15 organization representing such employee)
16 and employer entered into before the per-
17 formance of the work, and

18 “(ii) either—

19 “(I) such work is in excess of a
20 standard number of hours of such
21 work for a specified period of time,
22 and such agreement specifies that
23 such standard number of hours for a
24 specified period of time is not less

1 than 40 hours for a 7-day work pe-
2 riod, or

3 “(II) if the employee (including
4 any crewmember or flight crew-
5 member, or rail operating craft em-
6 ployee) and employer referred to in
7 clause (i) are both covered by the
8 Railway Labor Act, such work is be-
9 yond scheduled or anticipated hours
10 on duty or for hours on duty that ex-
11 ceed a maximum number of hours
12 with respect to a specified period of
13 time (as determined pursuant to such
14 agreement).”.

15 (b) EFFECTIVE DATE.—The amendment made by
16 this section shall apply to taxable years beginning after
17 December 31, 2024.

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