

110TH CONGRESS
1ST SESSION

H. R. 4845

To amend the Internal Revenue Code of 1986 to exclude overtime pay from gross income.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2007

Ms. FALLIN (for herself, Mrs. BLACKBURN, Mr. POE, Mrs. BACHMANN, Mr. WALBERG, Mr. REYNOLDS, Mr. CARTER, Mr. BURGESS, Mr. FRANKS of Arizona, Ms. FOXX, Mr. PRICE of Georgia, and Mr. COLE of Oklahoma) 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 exclude overtime pay from gross income.

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. EXCLUSION OF OVERTIME PAY FROM GROSS**
4 **INCOME.**

5 (a) IN GENERAL.—Part III of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 (relating to
7 items specifically excluded from gross income) is amended
8 by inserting after section 139A the following new section:

1 **“SEC. 139B. OVERTIME PAY.**

2 “(a) IN GENERAL.—Gross income shall not include
3 any compensation required to be paid under section 7(a)
4 of the Fair Labor Standards Act of 1938 for work in ex-
5 cess of the maximum hours set forth in such section.

6 “(b) EXCEPTION FOR COLLECTIVE BARGAINING
7 AGREEMENTS.—Subsection (a) shall not apply to any
8 compensation received pursuant to 1 or more collective
9 bargaining agreements between employee representatives
10 and 1 or more employers.

11 “(c) TREATMENT AS WAGES FOR EMPLOYMENT
12 TAXES, ETC.—Compensation described in subsection (a)
13 shall not fail to be treated as wages for purposes of this
14 title merely because such compensation is excludible from
15 gross income under subsection (a).”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for part III of subchapter B of chapter 1 of such Code
18 is amended by inserting after the item relating to section
19 139A the following new item:

“Sec. 139B. Overtime pay.”.

20 (c) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to amounts received after Decem-
22 ber 31, 2007.

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