II

115TH CONGRESS
1ST SESSION

S. 1840

To amend the Internal Revenue Code of 1986 to provide a working America tax credit.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19, 2017

Ms. HASSAN 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 provide a working America tax credit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Middle Class Tax Break Act of 2017''.

SEC. 2. WORKING AMERICA TAX CREDIT.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 36 the following new section:

“SEC. 36A. WORKING AMERICA TAX CREDIT.

“(a) ALLOWANCE OF CREDIT.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the lesser of—

“(1) 6.2 percent of earned income of the taxpayer, or

“(2) $500 ($1,000 in the case of a joint return or a head of a household).

“(b) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

“(1) ELIGIBLE INDIVIDUAL.—

“(A) IN GENERAL.—The term ‘eligible individual’ means any individual—

“(i) whose modified adjusted gross income is not greater than $100,000 ($200,000 in the case of a joint return or a head of a household), and

“(ii) who is not—

“(I) a nonresident alien,

“(II) an individual with respect to whom a deduction under section 151 is allowable to another taxpayer for a taxable year beginning in the calendar year in which the individual’s taxable year begins, or

"(III) an estate or trust.

"(B) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (A), the term 'modified adjusted gross income' means the adjusted gross income of the taxpayer for the taxable year increased by any amount excluded from gross income under section 911, 931, or 933.

"(C) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' shall not include any individual who does not include on the return of tax for the taxable year—

"(i) such individual's social security account number, and

"(ii) in the case of a joint return, the social security account number of one of the taxpayers on such return.

For purposes of the preceding sentence, the social security account number shall not include a TIN issued by the Internal Revenue Service.

"(2) EARNED INCOME.—The term 'earned income' has the meaning given such term by section 32(c)(2).".

(b) AUTHORITY RELATING TO CLERICAL ERRORS.—Section 6213(g)(2) of the Internal Revenue Code of 1986 is amended by striking ‘‘and’’ at the end of subparagraph (P), by striking the period at the end of subparagraph (Q) and inserting ‘‘, and’’, and by adding at the end the following new subparagraph:

‘‘(R) an omission of the reduction required under section 36A(c) with respect to the credit allowed under section 36A or an omission of the correct social security account number required under section 36A(b)(1)(C).’’.

(c) CONFORMING AMENDMENTS.—

(1) Section 6211(b)(4)(A) of the Internal Revenue Code of 1986 is amended by inserting ‘‘36A,’’ after ‘‘36,’’.

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 36 the following new item:

‘‘Sec. 36A. Working America tax credit.’’.

(d) EFFECTIVE DATE.—This section, and the amendments made by this section, shall apply to taxable years beginning after December 31, 2017.

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