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116TH CONGRESS
2D SESSION

H. R. 6354

To amend the Internal Revenue Code of 1986 to provide a one-time emergency tax credit to small businesses to cover rent and mortgage payments.

IN THE HOUSE OF REPRESENTATIVES

MARCH 23, 2020

Mr. KIND (for himself, Mr. RICE of South Carolina, Ms. SEWELL of Alabama, and Mr. KELLY of Pennsylvania) 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 provide a one-time emergency tax credit to small businesses to cover rent and mortgage payments.

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 ''Small Business Assistance Act of 2020''.

SEC. 2. TAX CREDIT TO SMALL BUSINESSES TO COVER RENT AND MORTGAGE PAYMENTS.

(a) ALLOWANCE OF CREDIT.—

(1) IN GENERAL.—In the case of an eligible small business, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for the first taxable year beginning on or after January 1, 2019, an amount equal to the sum of any qualified rent or mortgage expenditures which—

(A) relate to any real property which is primarily used in a trade or business of such eligible small business which is a qualified trade or business (as defined in section 199A(d)), and

(B) are paid or incurred by such eligible small business during the first 4 months of 2020.

(2) LIMITATION.—The amount of the credit allowable to a taxpayer under paragraph (1) for any taxable year shall not exceed $50,000.

(b) ELIGIBLE SMALL BUSINESS.—For purposes of this section—

(1) IN GENERAL.—The term ''eligible small business'' means, with respect to calendar year 2019, an employer who has employed an average of not greater than 500 full-time employees on business days during such calendar year.

(2) APPLICATION OF AGGREGATION RULE FOR EMPLOYERS.—All persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 of the Internal Revenue Code of 1986 shall be treated as 1 employer.

(c) QUALIFIED RENT OR MORTGAGE EXPENDITURES.—For purposes of this section, the term ''qualified rent or mortgage expenditures'' means an expenditure for rent or mortgage payments (not including any amounts attributable to utilities) that are paid pursuant to a contract entered into before the date of the enactment of this Act.

(d) EXPEDITED AMENDED RETURN PROCESS.—In the case of any eligible small business which has timely filed an amendment to the tax return for such business for the taxable year described in subsection (a) for the sole purpose of claiming the credit allowed under this section, the Secretary of the Treasury (or the Secretary's delegate) shall establish a separate and expedited process for reviewing and processing such amended returns.

(e) REGULATIONS.—The Secretary of the Treasury (or the Secretary's delegate) shall prescribe such regulations or guidance as may be necessary to carry out the provisions of this section, including regulations and guidance to prevent and identify fraud through the use of relevant information submitted by third parties which relates to the rent or mortgage expenditures claimed by a taxpayer for purposes of the credit allowed under this section.

(f) EFFECTIVE DATE.—This section shall take effect on the date of enactment of this Act.

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