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116TH CONGRESS
2D SESSION

H. R. 6920

To temporarily suspend payroll taxes during the emergency relating to COVID–19.

IN THE HOUSE OF REPRESENTATIVES

MAY 19, 2020

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

A BILL

To temporarily suspend payroll taxes during the emergency relating to COVID–19.

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 ‘‘Keep Employees’ Earnings Protected Act of 2020’’.

SEC. 2. TEMPORARY SUSPENSION OF PAYROLL TAXES.

(a) IN GENERAL.—Notwithstanding any other provision of law—

(1) with respect to any taxable year which begins in the payroll tax suspension period, the rate of

tax under section 1401(a) of the Internal Revenue Code of 1986 shall be 0 percent,

(2) with respect to remuneration received for pay periods ending during the payroll tax suspension period, the rate of tax under 3101(a) of such Code shall be 0 percent (including for purposes of determining the applicable percentage under sections 3201(a) and 3211(a)(1) of such Code), and

(3) with respect to remuneration paid for pay periods ending during the payroll tax suspension period, the rate of tax under section 3111(a) of such Code shall be 0 percent (including for purposes of determining the applicable percentage under section 3221(a) of such Code).

(b) PAYROLL TAX SUSPENSION PERIOD.—The term ''payroll tax suspension period'' means the period beginning on the date of the enactment of this Act and ending either—

(1) 90 days later, or

(2) with the termination of the emergency involving Federal primary responsibility determined to exist by the President under the section 501(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5191(b)) with respect to the Coronavirus Disease 2019 (COVID–19),

whichever is shorter.

(c) EMPLOYER NOTIFICATION.—The Secretary of the Treasury (or the Secretary's delegate) shall notify employers of the payroll tax suspension period in any manner the Secretary (or the Secretary's delegate) deems appropriate.

(d) TRANSFERS OF FUNDS.—

(1) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—There are hereby appropriated to the Federal Old-Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the application of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(2) TRANSFERS TO SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.— There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Rail-

road Retirement Act of 1974 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the application of subsection (a). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.

(3) COORDINATION WITH OTHER FEDERAL LAWS.—For purposes of applying any provision of Federal law other than the provisions of the Internal Revenue Code of 1986, the rate of tax in effect under section 3101(a) of such Code shall be determined without regard to the reduction in such rate under this section.

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