

116TH CONGRESS
2D SESSION

H. R. 7707

To amend the Internal Revenue Code of 1986 to provide a credit for the uncollectible accounts of eligible wholesale distributors.

IN THE HOUSE OF REPRESENTATIVES

JULY 21, 2020

Mr. LAHOOD (for himself and Mr. PANETTA) 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 credit for the uncollectible accounts of eligible wholesale distributors.

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 “Providing Liquidity
5 for Uncollectible Sales Act of 2020” or as the “PLUS Act
6 of 2020”.

7 **SEC. 2. CREDIT FOR UNCOLLECTIBLE ACCOUNTS OF ELIGI-**
8 **BLE WHOLESALE DISTRIBUTORS.**

9 (a) IN GENERAL.—Subpart D of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding after section 45T the following
 2 new section:

3 **“SEC. 45U. WHOLESALE DISTRIBUTOR UNCOLLECTIBLE AC-**
 4 **COUNTS CREDIT.**

5 “(a) IN GENERAL.—For purposes of section 38, in
 6 the case of an eligible wholesale distributor, the wholesale
 7 distributor uncollectible accounts credit determined under
 8 this section for the taxable year is an amount equal to
 9 the qualified accounts receivables of such distributor which
 10 become uncollectible during such taxable year.

11 “(b) ELIGIBLE WHOLESALE DISTRIBUTOR.—For
 12 purposes of this section, the term ‘eligible wholesale dis-
 13 tributor’ means any person engaged in the trade or busi-
 14 ness of selling inventory to food and beverage establish-
 15 ments.

16 “(c) QUALIFIED ACCOUNTS RECEIVABLE.—For pur-
 17 poses of this section—

18 “(1) IN GENERAL.—The term ‘qualified ac-
 19 counts receivable’ means any accounts receivable
 20 which was accrued pursuant to normal payment
 21 terms by an eligible wholesale distributor for the sale
 22 of inventory delivered on or before March 25, 2020,
 23 to a qualified food and beverage establishment.

24 “(2) NORMAL PAYMENT TERMS.—An amount
 25 shall be treated as accrued pursuant to normal pay-

1 ment terms if it is accrued under the applicable pay-
2 ment terms in effect on March 25, 2020, under an
3 agreement established prior to that date between the
4 eligible wholesale distributor and the qualified food
5 and beverage establishment.

6 “(3) PRESUMPTION OF UNCOLLECTABILITY.—
7 For purposes of this section, a qualified accounts re-
8 ceivable shall be treated as becoming uncollectible
9 during the taxable year of the eligible wholesale dis-
10 tributor which includes July 15, 2020, if—

11 “(A) the qualified food and beverage estab-
12 lishment to which such qualified accounts re-
13 ceivable relates does not provide on-premises
14 consumption pursuant to an order or rec-
15 ommendation of an applicable Federal, State,
16 or municipal authority for at least 30 days dur-
17 ing the period beginning on March 25, 2020,
18 and ending on July 15, 2020, and

19 “(B) such qualified accounts receivable is
20 not paid before the close of such taxable year.

21 “(d) QUALIFIED FOOD AND BEVERAGE ESTABLISH-
22 MENT.—For purposes of this section—

23 “(1) QUALIFIED FOOD AND BEVERAGE ESTAB-
24 LISHMENT.—The term ‘qualified food and beverage
25 establishment’ means a food and beverage establish-

1 ment within the United States that ceases to provide
2 on-premises consumption of food and beverage on or
3 after March 25, 2020, pursuant to an order or rec-
4 ommendation of an applicable Federal, State, or mu-
5 nicipal authority.

6 “(2) FOOD AND BEVERAGE ESTABLISHMENT.—
7 The term ‘food and beverage establishment’ means
8 a commercial establishment engaged in the trade or
9 business of preparing food and beverage for con-
10 sumption on-premises or off-premises.

11 “(e) INVENTORY.—For purposes of this section, the
12 term ‘inventory’ means property described in section
13 1221(a)(1) in the hands of the food and beverage estab-
14 lishments to which sold by the eligible wholesale dis-
15 tributor.

16 “(f) COORDINATION WITH DEDUCTION FOR BAD
17 DEBTS.—Any amount allowed as a credit under this sec-
18 tion will not be allowable as a deduction under section
19 166.”.

20 (b) CONFORMING AMENDMENTS.—Section 38(b) of
21 the Internal Revenue Code of 1986 is amended by striking
22 “plus” at the end of paragraph (32), by striking the period
23 at the end of paragraph (33) and inserting “, plus”, and
24 by adding after paragraph (33) the following new para-
25 graph:

1 “(34) in the case of an eligible wholesale dis-
2 tributor (as defined in section 45U(b)), the whole-
3 sale distributor uncollectible accounts credit deter-
4 mined under section 45U(a).”.

5 (c) EFFECTIVE DATE.—The amendments made by
6 this sections shall apply to taxable years ending after
7 March 25, 2020.

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