II

116TH CONGRESS
2D SESSION

S. 4558

To amend the Internal Revenue Code of 1986 to establish a temporary refundable tax credit for law enforcement officers and an above-the-line deduction for first responders.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 10, 2020

Mr. GRAHAM 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 establish a temporary refundable tax credit for law enforcement officers and an above-the-line deduction for first responders.

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 ''Thank You Act''.

SEC. 2. TEMPORARY REFUNDABLE CREDIT FOR LAW ENFORCEMENT OFFICERS.

(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 36B the following new section:

"SEC. 36C. CREDIT FOR LAW ENFORCEMENT OFFICERS.

"(a) IN GENERAL.—In the case of an individual who is employed or who volunteers as an eligible law enforcement officer during the first taxable year beginning in 2020, there shall be allowed as a credit against the tax imposed by this subtitle for such taxable year an amount equal to—

"(1) in the case of an individual who has been employed or who has volunteered as an eligible law enforcement officer for a cumulative period of not less than 10 years, $1,000, and

"(2) in the case of an individual who is not described in paragraph (1), $500.

"(b) ELIGIBLE LAW ENFORCEMENT OFFICER.—

"(1) IN GENERAL.—For purposes of this section, the term 'eligible law enforcement officer' means—

"(A) any sworn officer, agent, or employee of a State, unit of local government, or an Indian tribe authorized by law or by a government agency to engage in or supervise the prevention, detection, or investigation of any violation of criminal law, and

"(B) any Federal law enforcement officer, as defined in section 115(c)(1) of title 18, United States Code.

"(2) PART-TIME AND VOLUNTEERS.—For purposes of this section, the term 'eligible law enforcement officer' shall include any individual described in paragraph (1) who is employed or who volunteers on a full-time, part-time, or auxiliary basis during the taxable year.".

(b) W–2 REPORTING OF YEARS OF SERVICE AS LAW ENFORCEMENT OFFICER.—Section 6051(a) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of paragraph (16), by striking the period at the end of paragraph (17) and inserting ", and", and by inserting after paragraph (17) the following new paragraph:

"(18) in the case of an individual who was employed or who volunteered as an eligible law enforcement officer (as defined in section 36C(b)) during the first taxable year beginning in 2020, the total number of years for which such individual has been employed or volunteered as an eligible law enforcement officer.".

(c) CONFORMING AMENDMENTS.—

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

(2) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting "36C," after "36B,".

(3) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 36B the following new item:

"Sec. 36C. Credit for law enforcement officers.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

SEC. 3. ABOVE-THE-LINE DEDUCTION FOR FIRST RESPONDERS.

(a) IN GENERAL.—Part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating section 224 as section 225 and by inserting after section 223 the following new section:

"SEC. 224. FIRST RESPONDERS.

"(a) IN GENERAL.—In the case of an individual who is employed as an eligible first responder during any taxable year, there shall be allowed as a deduction for such taxable year an amount equal to $1,500.

"(b) ELIGIBLE FIRST RESPONDER.—For purposes of this section, the term 'eligible first responder' has the same meaning given the term 'emergency response providers' under section 2(6) of the Homeland Security Act of 2002 (6 U.S.C. 101(6)).

"(c) EXCLUSION FOR 2020.—For the first taxable year beginning in 2020, the deduction under subsection (a) shall not be allowed to any individual for whom the credit under section 36C is allowed for such taxable year.".

(b) ABOVE-THE-LINE DEDUCTION.—Section 62(a) of the Internal Revenue Code of 1986 is amended by inserting after paragraph (22) the following new paragraph:

"(23) FIRST RESPONDERS.—The deduction allowed under section 224.".

(c) CLERICAL AMENDMENT.—The table of sections for part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by redesignating the item relating to section 224 as an item relating to section 225 and by inserting after the item relating to section 223 the following new item:

"Sec. 224. First responders.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2019.

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