

STUDY OF TAXICAB FUEL RATES

Pub. L. 97-424, title V, §511(e)(4), Jan. 6, 1983, 96 Stat. 2172, directed Secretary of the Treasury or his delegate to conduct a study of reduced rate of fuels taxes provided for taxicabs by section 6427(e) of the Internal Revenue Code, and transmit a report on study to Congress, together with such recommendations as he may deem advisable, not later than Jan. 1, 1984.

§ 6428. 2020 recovery rebates for individuals**(a) In general**

In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by subtitle A for the first taxable year beginning in 2020 an amount equal to the sum of—

- (1) \$1,200 (\$2,400 in the case of eligible individuals filing a joint return), plus
- (2) an amount equal to the product of \$500 multiplied by the number of qualifying children (within the meaning of section 24(c)) of the taxpayer.

(b) Treatment of credit

The credit allowed by subsection (a) shall be treated as allowed by subpart C of part IV of subchapter A of chapter 1.

(c) Limitation based on adjusted gross income

The amount of the credit allowed by subsection (a) (determined without regard to this subsection and subsection (e)) shall be reduced (but not below zero) by 5 percent of so much of the taxpayer's adjusted gross income as exceeds—

- (1) \$150,000 in the case of a joint return or a surviving spouse (as defined in section 2(a)),
- (2) \$112,500 in the case of a head of household, and
- (3) \$75,000 in the case of a taxpayer not described in paragraph (1) or (2).

(d) Eligible individual

For purposes of this section, the term "eligible individual" means any individual other than—

- (1) any nonresident alien individual,
- (2) any 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, and
- (3) an estate or trust.

(e) Coordination with advance refunds of credit**(1) In general**

The amount of credit which would (but for this paragraph) be allowable under this section shall be reduced (but not below zero) by the aggregate refunds and credits made or allowed to the taxpayer under subsection (f). Any failure to so reduce the credit shall be treated as arising out of a mathematical or clerical error and assessed according to section 6213(b)(1).

(2) Joint returns

In the case of a refund or credit made or allowed under subsection (f) with respect to a joint return, half of such refund or credit shall be treated as having been made or allowed to each individual filing such return.

(f) Advance refunds and credits**(1) In general**

Subject to paragraph (5), each individual who was an eligible individual for such individual's first taxable year beginning in 2019 shall be treated as having made a payment against the tax imposed by chapter 1 for such taxable year in an amount equal to the advance refund amount for such taxable year.

(2) Advance refund amount

For purposes of paragraph (1), the advance refund amount is the amount that would have been allowed as a credit under this section for such taxable year if this section (other than subsection (e) and this subsection) had applied to such taxable year.

(3) Timing and manner of payments**(A) Timing**

The Secretary shall, subject to the provisions of this title, refund or credit any overpayment attributable to this subsection as rapidly as possible. No refund or credit shall be made or allowed under this subsection after December 31, 2020.

(B) Delivery of payments

Notwithstanding any other provision of law, the Secretary may certify and disburse refunds payable under this subsection electronically to any account to which the payee authorized, on or after January 1, 2018, the delivery of a refund of taxes under this title or of a Federal payment (as defined in section 3332 of title 31, United States Code).

(C) Waiver of certain rules

Notwithstanding section 3325 of title 31, United States Code, or any other provision of law, with respect to any payment of a refund under this subsection, a disbursing official in the executive branch of the United States Government may modify payment information received from an officer or employee described in section 3325(a)(1)(B) of such title for the purpose of facilitating the accurate and efficient delivery of such payment. Except in cases of fraud or reckless neglect, no liability under sections 3325, 3527, 3528, or 3529 of title 31, United States Code, shall be imposed with respect to payments made under this subparagraph.

(4) No interest

No interest shall be allowed on any overpayment attributable to this subsection.

(5) Alternate taxable year

In the case of an individual who, at the time of any determination made pursuant to paragraph (3), has not filed a tax return for the year described in paragraph (1), the Secretary may—

(A) apply such paragraph by substituting "2018" for "2019", and

(B) if the individual has not filed a tax return for such individual's first taxable year beginning in 2018, use information with respect to such individual for calendar year 2019 provided in—

- (i) Form SSA-1099, Social Security Benefit Statement, or

(ii) Form RRB-1099, Social Security Equivalent Benefit Statement.

(6) Payment to representative payees and fiduciaries

(A) In general

In the case of any individual for which payment information is provided to the Secretary by the Commissioner of Social Security, the Railroad Retirement Board, or the Secretary of Veterans Affairs, the payment by the Secretary under paragraph (3) with respect to such individual may be made to such individual's representative payee or fiduciary and the entire payment shall be—

- (i) provided to the individual who is entitled to the payment, or
- (ii) used only for the benefit of the individual who is entitled to the payment.

(B) Application of enforcement provisions

(i) In the case of a payment described in subparagraph (A) which is made with respect to a social security beneficiary or a supplemental security income recipient, section 1129(a)(3) of the Social Security Act (42 U.S.C. 1320a-8(a)(3)) shall apply to such payment in the same manner as such section applies to a payment under title II or XVI of such Act.

(ii) In the case of a payment described in subparagraph (A) which is made with respect to a railroad retirement beneficiary, section 13 of the Railroad Retirement Act (45 U.S.C. 231l) shall apply to such payment in the same manner as such section applies to a payment under such Act.

(iii) In the case of a payment described in subparagraph (A) which is made with respect to a veterans beneficiary, sections 5502, 6106, and 6108 of title 38, United States Code, shall apply to such payment in the same manner as such sections apply to a payment under such title.

(7) Notice to taxpayer

Not later than 15 days after the date on which the Secretary distributed any payment to an eligible taxpayer pursuant to this subsection, notice shall be sent by mail to such taxpayer's last known address. Such notice shall indicate the method by which such payment was made, the amount of such payment, and a phone number for the appropriate point of contact at the Internal Revenue Service to report any failure to receive such payment.

(g) Identification number requirement

(1) Requirements for credit

Subject to paragraph (2), with respect to the credit allowed under subsection (a), the following provisions shall apply:

(A) In general

In the case of a return other than a joint return, the \$1,200 amount in subsection (a)(1) shall be treated as being zero unless the taxpayer includes the valid identification number of the taxpayer on the return of tax for the taxable year.

(B) Joint returns

In the case of a joint return, the \$2,400 amount in subsection (a)(1) shall be treated as being—

(i) \$1,200 if the valid identification number of only 1 spouse is included on the return of tax for the taxable year, and

(ii) zero if the valid identification number of neither spouse is so included.

(C) Qualifying child

A qualifying child of a taxpayer shall not be taken into account under subsection (a)(2) unless—

(i) the taxpayer includes the valid identification number of such taxpayer (or, in the case of a joint return, the valid identification number of at least 1 spouse) on the return of tax for the taxable year, and

(ii) the valid identification number of such qualifying child is included on the return of tax for the taxable year.

(2) Requirements for advance refunds

No refund shall be payable under subsection (f) to an eligible individual who does not include on the return of tax for the taxable year—

(A) such individual's valid identification number,

(B) in the case of a joint return, the valid identification number of such individual's spouse, and

(C) in the case of any qualifying child taken into account under subsection (a)(2), the valid identification number of such qualifying child.

(3) Valid identification number

(A) In general

For purposes of this subsection, the term "valid identification number" means a social security number (as such term is defined in section 24(h)(7)).

(B) Adoption taxpayer identification number

For purposes of paragraphs (1)(C) and (2)(C), in the case of a qualifying child who is adopted or placed for adoption, the term "valid identification number" shall include the adoption taxpayer identification number of such child.

(4) Special rule for members of the Armed Forces

Paragraphs (1)(B) and (2)(B) shall not apply in the case where at least 1 spouse was a member of the Armed Forces of the United States at any time during the taxable year and the valid identification number of at least 1 spouse is included on the return of tax for the taxable year.

(5) Mathematical or clerical error authority

Any omission of a correct valid identification number required under this subsection shall be treated as a mathematical or clerical error for purposes of applying section 6213(g)(2) to such omission.

(h) Regulations

The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including any such measures as are deemed appropriate to avoid allowing multiple credits or rebates to a taxpayer.

(Added Pub. L. 116-136, div. A, title II, §2201(a), Mar. 27, 2020, 134 Stat. 335; amended Pub. L. 116-260, div. N, title II, §273(a), Dec. 27, 2020, 134 Stat. 1976.)

Editorial Notes

REFERENCES IN TEXT

The Social Security Act, referred to in subsec. (f)(6)(B)(i), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Titles II and XVI of the Act are classified generally to subchapters II (§401 et seq.) and XVI (§1381 et seq.), respectively, of chapter 7 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

The Railroad Retirement Act, referred to in subsec. (f)(6)(B)(ii), probably means the Railroad Retirement Act of 1974, act Aug. 29, 1935, ch. 812, as amended generally by Pub. L. 93-445, title I, §101, Oct. 16, 1974, 88 Stat. 1305, which is classified generally to subchapter IV (§231 et seq.) of chapter 9 of Title 45, Railroads. For further details and complete classification of this Act to the Code, see Codification note set out preceding section 231 of Title 45, section 231t of Title 45, and Tables.

PRIOR PROVISIONS

A prior section 6428, added Pub. L. 107-16, title I, §101(b)(1), June 7, 2001, 115 Stat. 42; amended Pub. L. 107-147, title IV, §411(a), Mar. 9, 2002, 116 Stat. 44; Pub. L. 110-185, title I, §101(a), Feb. 13, 2008, 122 Stat. 613; Pub. L. 110-245, title I, §§101(a), 102(b), June 17, 2008, 122 Stat. 1625, related to 2008 recovery rebate for individuals, prior to repeal by Pub. L. 113-295, div. A, title II, §221(a)(12)(A), (b), Dec. 19, 2014, 128 Stat. 4054, 4055, effective Dec. 19, 2014, subject to a savings provision.

Another prior section 6428, added Pub. L. 94-12, title I, §101(a), Mar. 29, 1975, 89 Stat. 27; amended Pub. L. 97-34, title I, §101(b)(1), Aug. 13, 1981, 95 Stat. 182; Pub. L. 97-448, title I, §101(a)(2), Jan. 12, 1983, 96 Stat. 2365, related to the 1981 rate reduction tax credit, prior to repeal by Pub. L. 101-508, title XI, §11801(a)(47), Nov. 5, 1990, 104 Stat. 1388-522.

AMENDMENTS

2020—Subsec. (c)(1). Pub. L. 116-260, §273(a)(1), inserted “or a surviving spouse (as defined in section 2(a))” after “joint return”.

Subsec. (f)(3)(A). Pub. L. 116-260, §273(a)(2)(A), substituted “attributable to this subsection” for “attributable to this section”.

Subsec. (f)(4). Pub. L. 116-260, §273(a)(2)(B), substituted “subsection” for “section”.

Subsec. (f)(6), (7). Pub. L. 116-260, §273(a)(2)(C), added par. (6) and redesignated former par. (6) as (7).

Subsec. (g). Pub. L. 116-260, §273(a)(3), added subsec. (g) and struck out former subsec. (g) which set forth general provisions relating to identification number requirement, defined “valid identification number”, and set forth provisions relating to special rule for members of the Armed Forces and mathematical or clerical error authority.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2020 AMENDMENT

Pub. L. 116-260, div. N, title II, §273(c), Dec. 27, 2020, 134 Stat. 1978, provided that: “The amendments made by this section [amending this section and provisions set out as a note under this section] shall take effect as if included in section 2201 of the CARES Act [Pub. L. 116-136, enacting this section, amending sections 6211 and 6213 of this title and section 1324 of Title 31, Money and Finance, and enacting provisions set out as notes under this section].”

TREATMENT OF POSSESSIONS

Pub. L. 116-136, div. A, title II, §2201(c), Mar. 27, 2020, 134 Stat. 337, provided that:

“(1) PAYMENTS TO POSSESSIONS.—

“(A) MIRROR CODE POSSESSION.—The Secretary of the Treasury shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the amendments made by this section [enacting this section and amending sections 6211 and 6213 of this title and section 1324 of Title 31, Money and Finance]. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

“(B) OTHER POSSESSIONS.—The Secretary of the Treasury shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the amendments made by this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to its residents.

“(2) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.—No credit shall be allowed against United States income taxes under section 6428 of the Internal Revenue Code of 1986 (as added by this section) to any person—

“(A) to whom a credit is allowed against taxes imposed by the possession by reason of the amendments made by this section, or

“(B) who is eligible for a payment under a plan described in paragraph (1)(B).

“(3) DEFINITIONS AND SPECIAL RULES.—

“(A) POSSESSION OF THE UNITED STATES.—For purposes of this subsection, the term ‘possession of the United States’ includes the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.

“(B) MIRROR CODE TAX SYSTEM.—For purposes of this subsection, the term ‘mirror code tax system’ means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(C) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.”

EXCEPTION FROM REDUCTION OR OFFSET

Pub. L. 116-136, div. A, title II, §2201(d), Mar. 27, 2020, 134 Stat. 338, as amended by Pub. L. 116-260, div. N, title II, §273(b)(1), Dec. 27, 2020, 134 Stat. 1978, provided that: “Any refund payable by reason of section 6428(f) of the Internal Revenue Code of 1986 (as added by this section), or any such refund payable by reason of subsection (c) of this section [section 2201(c) of Pub. L. 116-136, set out above], shall not be—

“(1) subject to reduction or offset pursuant to section 3716 or 3720A of title 31, United States Code,

“(2) subject to reduction or offset pursuant to subsection (d), (e), or (f) of section 6402 of the Internal Revenue Code of 1986, or

“(3) reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.”

PUBLIC AWARENESS CAMPAIGN

Pub. L. 116-136, div. A, title II, §2201(e), Mar. 27, 2020, 134 Stat. 339, provided that: “The Secretary of the Treasury (or the Secretary’s delegate) shall conduct a public awareness campaign, in coordination with the Commissioner of Social Security and the heads of other

relevant Federal agencies, to provide information regarding the availability of the credit and rebate allowed under section 6428 of the Internal Revenue Code of 1986 (as added by this section), including information with respect to individuals who may not have filed a tax return for taxable year 2018 or 2019.”

ECONOMIC RECOVERY PAYMENT TO RECIPIENTS OF SOCIAL SECURITY, SUPPLEMENTAL SECURITY INCOME, RAILROAD RETIREMENT BENEFITS, AND VETERANS DISABILITY COMPENSATION OR PENSION BENEFITS

Pub. L. 111-5, div. B, title II, §2201, Feb. 17, 2009, 123 Stat. 450, provided for a \$250 payment to individuals who, for any month during the 3-month period ending with the month which ended prior to the month that included Feb. 17, 2009, were entitled to certain Social Security, railroad retirement, or veterans benefit payments or were eligible for certain SSI cash benefits.

SPECIAL CREDIT FOR CERTAIN GOVERNMENT RETIREES

Pub. L. 111-5, div. B, title II, §2202, Feb. 17, 2009, 123 Stat. 454, as amended by Pub. L. 113-295, §209(i), Dec. 19, 2014, 128 Stat. 4030, provided that:

“(a) **IN GENERAL.**—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by subtitle A of the Internal Revenue Code of 1986 for the first taxable year beginning in 2009 an amount equal [to] \$250 (\$500 in the case of a joint return where both spouses are eligible individuals).

“(b) **ELIGIBLE INDIVIDUAL.**—For purposes of this section—

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

“(A) who receives during the first taxable year beginning in 2009 any amount as a pension or annuity for service performed in the employ of the United States or any State, political subdivision of a State, or any instrumentality thereof, which is not considered employment for purposes of chapter 21 of the Internal Revenue Code of 1986, and

“(B) who does not receive a payment under section 2201 [set out above] during such taxable year.

“(2) **IDENTIFICATION NUMBER REQUIREMENT.**—Such term shall not include any individual who does not include on the return of tax for the taxable year—

“(A) such individual’s social security account number, and

“(B) 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 (as defined in section 7701(a)(41) of the Internal Revenue Code of 1986) issued by the Internal Revenue Service. Any omission of a correct social security account number required under this subparagraph [probably should be “this paragraph”] shall be treated as a mathematical or clerical error for purposes of applying section 6213(g)(2) of such Code to such omission.

“(c) **TREATMENT OF CREDIT.**—

“(1) **REFUNDABLE CREDIT.**—

“(A) **IN GENERAL.**—The credit allowed by subsection (a) shall be treated as allowed by subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986.

“(B) **APPROPRIATIONS.**—For purposes of section 1324(b)(2) of title 31, United States Code, the credit allowed by subsection (a) shall be treated in the same manner [as] a refund from the credit allowed under [former] section 36A of the Internal Revenue Code of 1986 (as added by this Act).

“(2) **DEFICIENCY RULES.**—For purposes of section 6211(b)(4)(A) of the Internal Revenue Code of 1986, the credit allowable by subsection (a) shall be treated in the same manner as the credit allowable under [former] section 36A of the Internal Revenue Code of 1986 (as added by this Act).

“(d) **REFUNDS DISREGARDED IN THE ADMINISTRATION OF FEDERAL PROGRAMS AND FEDERALLY ASSISTED PRO-**

GRAMS.—Any credit or refund allowed or made to any individual by reason of this section shall not be taken into account as income and shall not be taken into account as resources for the month of receipt and the following 2 months, for purposes of determining the eligibility of such individual or any other individual for benefits or assistance, or the amount or extent of benefits or assistance, under any Federal program or under any State or local program financed in whole or in part with Federal funds.

“(e) **TREATMENT OF POSSESSIONS.**—

“(1) **PAYMENTS TO MIRROR CODE POSSESSIONS.**—The Secretary of the Treasury shall pay to each possession of the United States with a mirror code tax system amounts equal to the loss to that possession by reason of credits allowed under subsection (a) with respect to taxable years beginning in 2009. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.

“(2) **COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES.**—No credit shall be allowed against United States income taxes for any taxable year under this section to any person to whom a credit is allowed against taxes imposed by the possession by reason of the credit allowed under subsection (a) for such taxable year.

“(3) **DEFINITIONS AND SPECIAL RULES.**—

“(A) **POSSESSION OF THE UNITED STATES.**—For purposes of this subsection, the term ‘possession of the United States’ includes the Commonwealth of the Northern Mariana Islands.

“(B) **MIRROR CODE TAX SYSTEM.**—For purposes of this subsection, the term ‘mirror code tax system’ means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.

“(C) **TREATMENT OF PAYMENTS.**—For purposes of section 1324(b)(2) of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from the credit allowed under [former] section 36A of the Internal Revenue Code of 1986 (as added by this Act).”

§ 6428A. Additional 2020 recovery rebates for individuals

(a) In general

In addition to the credit allowed under section 6428, in the case of an eligible individual, there shall be allowed as a credit against the tax imposed by subtitle A for the first taxable year beginning in 2020 an amount equal to the sum of—

(1) \$600 (\$1,200 in the case of eligible individuals filing a joint return), plus

(2) an amount equal to the product of \$600 multiplied by the number of qualifying children (within the meaning of section 24(c)) of the taxpayer.

(b) Treatment of credit

The credit allowed by subsection (a) shall be treated as allowed by subpart C of part IV of subchapter A of chapter 1.

(c) Limitation based on adjusted gross income

The amount of the credit allowed by subsection (a) (determined without regard to this subsection and subsection (e)) shall be reduced (but not below zero) by 5 percent of so much of the taxpayer’s adjusted gross income as exceeds—

(1) \$150,000 in the case of a joint return or a surviving spouse (as defined in section 2(a)),