

§ 6432. Continuation coverage premium assistance

(a) In general

The person to whom premiums are payable for continuation coverage under section 9501(a)(1) of the American Rescue Plan Act of 2021 shall be allowed as a credit against the tax imposed by section 3111(b), or so much of the taxes imposed under section 3221(a) as are attributable to the rate in effect under section 3111(b), for each calendar quarter an amount equal to the premiums not paid by assistance eligible individuals for such coverage by reason of such section 9501(a)(1) with respect to such calendar quarter.

(b) Person to whom premiums are payable

For purposes of subsection (a), except as otherwise provided by the Secretary, the person to whom premiums are payable under such continuation coverage shall be treated as being—

(1) in the case of any group health plan which is a multiemployer plan (as defined in section 3(37) of the Employee Retirement Income Security Act of 1974), the plan,

(2) in the case of any group health plan not described in paragraph (1)—

(A) which is subject to the COBRA continuation provisions contained in—

(i) the Internal Revenue Code of 1986,

(ii) the Employee Retirement Income Security Act of 1974, or

(iii) the Public Health Service Act, or

(B) under which some or all of the coverage is not provided by insurance,

the employer maintaining the plan, and

(3) in the case of any group health plan not described in paragraph (1) or (2), the insurer providing the coverage under the group health plan.

(c) Limitations and refundability

(1) Credit limited to certain employment taxes

The credit allowed by subsection (a) with respect to any calendar quarter shall not exceed the tax imposed by section 3111(b), or so much of the taxes imposed under section 3221(a) as are attributable to the rate in effect under section 3111(b), for such calendar quarter (reduced by any credits allowed against such taxes under sections 3131, 3132, and 3134) on the wages paid with respect to the employment of all employees of the employer.

(2) Refundability of excess credit

(A) Credit is refundable

If the amount of the credit under subsection (a) exceeds the limitation of paragraph (1) for any calendar quarter, such excess shall be treated as an overpayment that shall be refunded under sections 6402(a) and 6413(b).

(B) Credit may be advanced

In anticipation of the credit, including the refundable portion under subparagraph (A), the credit may be advanced, according to forms and instructions provided by the Secretary, up to an amount calculated under subsection (a) through the end of the most recent payroll period in the quarter.

(C) Treatment of deposits

The Secretary shall waive any penalty under section 6656 for any failure to make a deposit of the tax imposed by section 3111(b), or so much of the taxes imposed under section 3221(a) as are attributable to the rate in effect under section 3111(b), if the Secretary determines that such failure was due to the anticipation of the credit allowed under this section.

(D) Treatment of payments

For purposes of section 1324 of title 31, United States Code, any amounts due to an employer under this paragraph shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(3) Overstatements

Any overstatement of the credit to which a person is entitled under this section (and any amount paid by the Secretary as a result of such overstatement) shall be treated as an underpayment by such person of the taxes described in paragraph (1) and may be assessed and collected by the Secretary in the same manner as such taxes.

(d) Governmental entities

For purposes of this section, the term “person” includes the government of any State or political subdivision thereof, any Indian tribal government (as defined in section 139E(c)(1)), any agency or instrumentality of any of the foregoing, and any agency or instrumentality of the Government of the United States that is described in section 501(c)(1) and exempt from taxation under section 501(a).

(e) Denial of double benefit

For purposes of chapter 1, the gross income of any person allowed a credit under this section shall be increased for the taxable year which includes the last day of any calendar quarter with respect to which such credit is allowed by the amount of such credit. No credit shall be allowed under this section with respect to any amount which is taken into account as qualified wages under section 2301 of the CARES Act or section 3134 of this title or as qualified health plan expenses under section 7001(d) or 7003(d) of the Families First Coronavirus Response Act or section 3131 or 3132 of this title.

(f) Extension of limitation on assessment

Notwithstanding section 6501, the limitation on the time period for the assessment of any amount attributable to a credit claimed under this section shall not expire before the date that is 5 years after the later of—

(1) the date on which the original return which includes the calendar quarter with respect to which such credit is determined is filed, or

(2) the date on which such return is treated as filed under section 6501(b)(2).

(g) Regulations

The Secretary shall issue such regulations, or other guidance, forms, instructions, and publications, as may be necessary or appropriate to carry out this section, including—

(1) the requirement to report information or the establishment of other methods for verifying the correct amounts of reimbursements under this section.

(2) the application of this section to group health plans that are multiemployer plans (as defined in section 3(37) of the Employee Retirement Income Security Act of 1974).

(3) to allow the advance payment of the credit determined under subsection (a), subject to the limitations provided in this section, based on such information as the Secretary shall require.

(4) to provide for the reconciliation of such advance payment with the amount of the credit at the time of filing the return of tax for the applicable quarter or taxable year, and

(5) allowing the credit to third party payors (including professional employer organizations, certified professional employer organizations, or agents under section 3504).

(Added Pub. L. 117-2, title IX, § 9501(b)(1)(A), Mar. 11, 2021, 135 Stat. 134.)

Editorial Notes

REFERENCES IN TEXT

Section 9501(a)(1) of the American Rescue Plan Act of 2021, referred to in subsec. (a)(1), is section 9501(a)(1) of title IX of Pub. L. 117-2, Mar. 11, 2021, 135 Stat. 127, which is set out as a note under section 4980B of this title.

The Employee Retirement Income Security Act of 1974, referred to in subsecs. (b)(2)(A)(ii), is Pub. L. 93-406, Sept. 2, 1974, 88 Stat. 829, which is classified principally to chapter 18 (§1001 et seq.) of Title 29, Labor. Section 3(37) of the Act is classified to section 1002(37) of Title 29. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 29 and Tables.

The Public Health Service Act, referred to in subsec. (b)(2)(A)(iii), is act July 1, 1944, ch. 373, 58 Stat. 682, which is classified generally to chapter 6A (§201 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 201 of Title 42 and Tables.

Section 2301 of the CARES Act, referred to in subsec. (e), is section 2301 of title II of div. A of Pub. L. 116-136, which is set out as a note under section 3111 of this title.

Sections 7001(d) and 7003(d) of the Families First Coronavirus Response Act, referred to in subsec. (e), are sections 7001(d) and 7003(d) of div. G of Pub. L. 116-127, which are set out as notes under section 3111 of this title.

PRIOR PROVISIONS

A prior section 6432, added Pub. L. 111-5, div. B, title III, §3001(a)(12)(A), Feb. 17, 2009, 123 Stat. 461; amended Pub. L. 111-144, §3(b)(5)(C), Mar. 2, 2010, 124 Stat. 45, related to COBRA premium assistance, prior to repeal by Pub. L. 115-141, div. U, title IV, §401(d)(7)(A), Mar. 23, 2018, 132 Stat. 1212.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE

Pub. L. 117-2, title IX, § 9501(b)(1)(C), Mar. 11, 2021, 135 Stat. 136, provided that: “The amendments made by this paragraph [enacting this section] shall apply to premiums to which subsection (a)(1)(A) applies and wages paid on or after April 1, 2021.”

PREMIUM ASSISTANCE FOR COBRA BENEFITS

Pub. L. 111-5, div. B, title III, §3001, Feb. 17, 2009, 123 Stat. 455, as amended by Pub. L. 111-118, div. B,

§1010(a)-(d), Dec. 19, 2009, 123 Stat. 3472, 3473; Pub. L. 111-144, §3(a), (b)(1)-(4), Mar. 2, 2010, 124 Stat. 43, 44; Pub. L. 111-157, §3(a), (b), Apr. 15, 2010, 124 Stat. 1117; Pub. L. 113-295, div. A, title II, §209(j)(3), Dec. 19, 2014, 128 Stat. 4031, related to premium assistance for COBRA continuation coverage.

§ 6433. Saver's Match

(a) In general

(1) Allowance of match

Any eligible individual who makes qualified retirement savings contributions for the taxable year shall be allowed a matching contribution for such taxable year in an amount equal to the applicable percentage of so much of the qualified retirement savings contributions made by such eligible individual for the taxable year as does not exceed \$2,000.

(2) Payment of match

(A) In general

Except as provided in subparagraph (B), the matching contribution under this section shall be allowed as a credit which shall be payable by the Secretary as a contribution (as soon as practicable after the eligible individual has filed a tax return making a claim for such matching contribution for the taxable year) to the applicable retirement savings vehicle of the eligible individual.

(B) Exception

In the case of an eligible individual who elects the application of this subparagraph and with respect to whom the matching contribution determined under paragraph (1) is greater than zero but less than \$100 for the taxable year, subparagraph (A) shall not apply and such matching contribution shall be treated as a credit allowed by subpart C of part IV of subchapter A of chapter 1.

(b) Applicable percentage

For purposes of this section—

(1) In general

Except as provided in paragraph (2), the applicable percentage is 50 percent.

(2) Phaseout

The percentage under paragraph (1) shall be reduced (but not below zero) by the number of percentage points which bears the same ratio to 50 percentage points as—

(A) the excess of—

(i) the taxpayer's modified adjusted gross income for such taxable year, over
(ii) the applicable dollar amount, bears to

(B) the phaseout range.

If any reduction determined under this paragraph is not a whole percentage point, such reduction shall be rounded to the next lowest whole percentage point.

(3) Applicable dollar amount; phaseout range

(A) Joint returns and surviving spouses

Except as provided in subparagraph (B)—

(i) the applicable dollar amount is \$41,000, and
(ii) the phaseout range is \$30,000.