

[DISCUSSION DRAFT]

MAY 27, 2020

116TH CONGRESS
2D SESSION

H. R. _____

To suspend payroll taxes for 2020, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. GOSAR introduced the following bill; which was referred to the Committee
on _____

A BILL

To suspend payroll taxes for 2020, and for other purposes.

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. SUSPENSION OF PAYROLL TAXES FOR 2020.**

4 (a) IN GENERAL.—Notwithstanding any other provi-
5 sion of law—

6 (1) with respect to any taxable year which be-
7 gins in the payroll tax suspension period, the rate of
8 tax under section 1401(a) of the Internal Revenue
9 Code of 1986 shall be 0 percent,

1 (2) with respect to remuneration received for
2 pay periods ending during the payroll tax suspension
3 period, the rate of tax under 3101(a) of such Code
4 shall be 0 percent (including for purposes of deter-
5 mining the applicable percentage under sections
6 3201(a) and 3211(a)(1) of such Code), and

7 (3) with respect to remuneration paid for pay
8 periods ending during the payroll tax suspension pe-
9 riod, the rate of tax under section 3111(a) of such
10 Code shall be 0 percent (including for purposes of
11 determining the applicable percentage under section
12 3221(a) of such Code).

13 (b) PAYROLL TAX SUSPENSION PERIOD.—The term
14 “payroll tax suspension period” means the period begin-
15 ning on January 1, 2020, and ending on December 31,
16 2020.

17 (c) EMPLOYER NOTIFICATION.—The Secretary of the
18 Treasury shall notify employers of the payroll tax suspen-
19 sion period in any manner the Secretary deems appro-
20 priate.

21 (d) TRANSFERS OF FUNDS.—

22 (1) TRANSFERS TO FEDERAL OLD-AGE AND
23 SURVIVORS INSURANCE TRUST FUND.—There are
24 hereby appropriated to the Federal Old-Age and
25 Survivors Trust Fund and the Federal Disability In-

1 surance Trust Fund established under section 201
2 of the Social Security Act (42 U.S.C. 401) amounts
3 equal to the reduction in revenues to the Treasury
4 by reason of the application of subsection (a).
5 Amounts appropriated by the preceding sentence
6 shall be transferred from the general fund at such
7 times and in such manner as to replicate to the ex-
8 tent possible the transfers which would have oc-
9 curred to such Trust Fund had such amendments
10 not been enacted.

11 (2) TRANSFERS TO SOCIAL SECURITY EQUIVA-
12 LENT BENEFIT ACCOUNT.—There are hereby appro-
13 priated to the Social Security Equivalent Benefit Ac-
14 count established under section 15A(a) of the Rail-
15 road Retirement Act of 1974 (45 U.S.C. 231n-1(a))
16 amounts equal to the reduction in revenues to the
17 Treasury by reason of the application of subsection
18 (a). Amounts appropriated by the preceding sentence
19 shall be transferred from the general fund at such
20 times and in such manner as to replicate to the ex-
21 tent possible the transfers which would have oc-
22 curred to such Account had such amendments not
23 been enacted.

24 (3) COORDINATION WITH OTHER FEDERAL
25 LAWS.—For purposes of applying any provision of

1 Federal law other than the provisions of the Internal
2 Revenue Code of 1986, the rate of tax in effect
3 under section 3101(a) of such Code shall be deter-
4 mined without regard to the reduction in such rate
5 under this section.