

**AMENDMENT TO AMERICAN RESCUE PLAN ACT
OF 2021
OFFERED BY MR. DONALDS OF FLORIDA**

In subtitle H of title IX, insert at the end of section 9704 the following:

1 (d) SECTION SHALL NOT TAKE EFFECT.—The pro-
2 visions of this section, and the amendments made thereby,
3 shall not take effect.

4 **SEC. 9704A. NATIONAL WAGE INDEX-BASED CREDIT.**

5 (a) IN GENERAL.—In the case of an eligible indi-
6 vidual, there shall be allowed as a credit against the tax
7 imposed by subtitle A of the Internal Revenue Code of
8 1986 for the taxpayer's first taxable year beginning in
9 2020 an amount equal to the applicable percentage of the
10 earned income of the taxpayer.

11 (b) LIMITATION BASED ON MODIFIED ADJUSTED
12 GROSS INCOME.—

13 (1) IN GENERAL.—The amount allowable as a
14 credit under subsection (a) (determined without re-
15 gard to this paragraph for the taxable year shall be
16 reduced (but not below zero) by 5 percent of so
17 much of the taxpayer's modified adjusted gross in-

1 come as exceeds the national wage index amount
2 with respect to the taxpayer.

3 (2) NATIONAL WAGE INDEX AMOUNT.—For
4 purposes of paragraph (1), the national wage index
5 amount with respect to any taxpayer shall be an
6 amount equal to—

7 (A) except as provided in subparagraph
8 (B) or (C), the national average wage index (as
9 defined in section 209(k)(1) of the Social Secu-
10 rity Act) for 2019,

11 (B) in the case of a head of household, 1.5
12 times the amount described in subparagraph
13 (A), and

14 (C) in the case of a joint return, 2 times
15 the amount described in subparagraph (A).

16 (3) MODIFIED ADJUSTED GROSS INCOME.—For
17 purposes of paragraph (1), the term “modified ad-
18 justed gross income” means the adjusted gross in-
19 come of the taxpayer for the taxable year increased
20 by any amount excluded from gross income under
21 section 911, 931, or 933 of the Internal Revenue
22 Code of 1986.

23 (c) APPLICABLE PERCENTAGE.—For purposes of this
24 section, the applicable percentage shall be such percentage
25 as the Secretary estimates would result in an aggregate

1 dollar amount of credits allowed under this section (re-
2 duced by the cost of administering such credit) equal to
3 the aggregate dollar amount of special financial assistance
4 (reduced by the cost of administering such assistance) that
5 would have been provided (and administered) under sec-
6 tion 9704 but for subsection (d) thereof.

7 (d) DEFINITIONS AND SPECIAL RULES.—For pur-
8 poses of this section—

9 (1) ELIGIBLE INDIVIDUAL.—

10 (A) IN GENERAL.—The term “eligible indi-
11 vidual” means any individual other than—

12 (i) any nonresident alien individual,

13 (ii) any individual with respect to
14 whom a deduction under section 151 of the
15 Internal Revenue Code of 1986 is allowable
16 to another taxpayer for a taxable year be-
17 ginning in the calendar year in which the
18 individual’s taxable year begins, and

19 (iii) an estate or trust.

20 (B) IDENTIFICATION NUMBER REQUIRE-
21 MENT.—Such term shall not include any indi-
22 vidual who does not include on the return of tax
23 for the taxable year—

24 (i) such individual’s social security ac-
25 count number, and

1 (ii) in the case of a joint return, the
2 social security account number of each of
3 the taxpayers on such return.

4 For purposes of the preceding sentence, the so-
5 cial security account number shall not include a
6 TIN issued by the Internal Revenue Service.

7 (2) ADVANCE PAYMENT.—The Secretary shall
8 provide for advance payment of the credit allowed
9 under this section under rules similar to the rules of
10 section 6428B of the Internal Revenue Code of
11 1986.

12 (3) ELECTION TO USE 2019 INCOME.—The tax-
13 payer may elect, at such time and in such form and
14 manner as the Secretary of the Treasury shall pre-
15 scribe, to determine the credit under subsection (a)
16 based on the amount of earned income and modified
17 adjusted gross income of the taxpayer for the tax-
18 able year of the taxpayer preceding the taxable year
19 described in such subsection.

20 (4) EARNED INCOME.—The term “earned in-
21 come” has the meaning given such term by section
22 32(c)(2) of the Internal Revenue Code of 1986, ex-
23 cept that such term shall not include net earnings
24 from self-employment which are not taken into ac-
25 count in computing taxable income. For purposes of

1 the preceding sentence, any amount excluded from
2 gross income by reason of section 112 shall be treat-
3 ed as earned income which is taken into account in
4 computing taxable income for the taxable year.

5 (5) TREATMENT AS REFUNDABLE CREDIT.—

6 (A) IN GENERAL.—The credit allowed
7 under this section shall be treated as a credit
8 allowed under subpart C of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue
10 Code of 1986.

11 (B) DEFICIENCIES.—For purposes of sec-
12 tion 6211(b)(4)(A) of such Code, the credit al-
13 lowed under this section shall be treated in the
14 same manner as a credit allowed under section
15 6428B of such Code.

16 (C) PAYMENTS.—For purposes of section
17 1324 of title 31, United States Code, the pay-
18 ments under this subsection shall be treated in
19 the same manner as a refund due from a credit
20 provision referred to in subsection (b)(2) of
21 such section.

22 (e) TREATMENT OF MIRROR CODE TAX SYSTEMS.—

23 (1) IN GENERAL.—The provisions of this sec-
24 tion shall not be treated as an income tax law in
25 force in any mirror code tax system.

1 (2) MIRROR CODE TAX SYSTEM.—For purposes
2 of this subsection, the term “mirror code tax sys-
3 tem” means, with respect to any possession of the
4 United States, the income tax system of such posses-
5 sion if the income tax liability of the residents of
6 such possession under such system is determined by
7 reference to the income tax laws of the United
8 States as if such possession were the United States.

