AMENDMENT TO RULES COMMITTEE PRINT 115-39

OFFERED BY MR. GOTTHEIMER OF NEW JERSEY

Page 447, after line 3, insert the following:

1 TITLE VI—PAYOR STATE CREDIT AMOUNT FOR INDIVIDUALS

3 SEC. 6001. SHORT TITLE.

This title may be cited as the “Return on Investment Accountability Act”.

6 SEC. 6002. PAYOR STATE CREDIT AMOUNT FOR INDIVIDUALS.

(a) IN GENERAL.—Subchapter B of chapter 65 of the Internal Revenue Code of 1986 is amended by inserting after section 6427 the following new section:

“SEC. 6428. PAYOR STATE CREDIT AMOUNT FOR INDIVIDUALS.

“(a) IN GENERAL.—There shall be allowed to the taxpayer with respect to each eligible individual as a credit against the tax imposed by subtitle A for a taxable year an amount equal to the individual payor State amount.

“(b) INDIVIDUAL PAYOR STATE AMOUNT.—For purposes of this section—
“(1) IN GENERAL.—The term ‘individual payor State amount’ means the amount that is the same proportion of the payor State amount as the ratio that one bears to all eligible individuals of the State for the calendar year preceding the calendar year in which the taxable year begins.

“(2) PAYOR STATE AMOUNT.—The term ‘payor State amount’ means the amount equal to the excess (if any) of—

“(A) the Federal tax burden of the State for the calendar year preceding the calendar year in which the taxable year begins, over

“(B) the Federal outlays received by the State for such preceding calendar year for the calendar year preceding the calendar year in which the taxable year begins.

“(3) FEDERAL TAX BURDEN AND FEDERAL OUTLAYS.—

“(A) IN GENERAL.—The Secretary shall calculate the Federal tax burden of each State for each calendar year and the Federal outlays received by the State for the calendar year.

“(B) FEDERAL TAX BURDEN.—For purposes of subparagraph (A), the Secretary shall—
“(i) treat all Federal taxes paid by eligible individuals as a burden on the State in which such individual resides; and

“(ii) treat all Federal taxes paid by a legal business entity as a burden on the State in which economic activity of such entity is performed in the same proportion that the economic activity of such entity in such State bears to the economic activity of such entity in all the States.

“(C) FEDERAL OUTLAYS.—For purposes of subparagraph (A), a Federal contract award shall be treated as a Federal outlay received by each State in which performance under the award takes place in the same proportion that such performance in such State bears to such performance in all the States.

“(4) ELIGIBLE INDIVIDUAL.—

“(A) IN GENERAL.—The term ‘eligible individual’ means any individual who is—

“(i) the taxpayer, the spouse of the taxpayer, or a dependent of the taxpayer,

“(ii) a citizen of the United States or lawfully present in the United States, and
“(iii) a resident of the payor State for more than half of the taxable year.

“(B) EXCEPTION.—The term ‘eligible individual’ does not include—

“(i) 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, or

“(ii) an estate or trust.

“(c) 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.

“(d) 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 (e). 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 (e) 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.

“(e) ADVANCE REFUNDS AND CREDITS.—

“(1) IN GENERAL.—Each individual who was an eligible individual for a calendar year shall be treated as having made a payment against the tax imposed by chapter 1 for such first 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 the taxable year in which the calendar year begins (other than subsection (d) and this subsection) had applied to such taxable year.

“(3) NO INTEREST.—No interest shall be allowed on any overpayment attributable to this section.

“(f) IDENTIFICATION NUMBER REQUIREMENT.—

“(1) IN GENERAL.—No credit shall be allowed under subsection (a) 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

“(2) VALID IDENTIFICATION NUMBER.—For purposes of paragraph (1), the term ‘valid identification number’ means a social security number issued to an individual by the Social Security Administration. Such term shall not include a TIN issued by the Internal Revenue Service.”.

(b) ADMINISTRATIVE AMENDMENTS.—

(1) DEFINITION OF DEFICIENCY.—Section 6211(b)(4)(A) of such Code is amended by inserting “6428,” after “168(k)(4),”.

(2) MATHEMATICAL OR CLERICAL ERROR AUTHORITY.—Section 6213(g)(2) of such Code is amended by striking “and” at the end of subparagraph (P), by striking the period at the end of subparagraph (R) and inserting “, and”, and by inserting after subparagraph (R) the following:
“(S) an omission of information required under section 6428(f) to be included on a return.”.

(c) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “6428,” before “or 6431”.

(2) The table of sections for subchapter B of chapter 65 of such Code is amended by inserting after the item relating to section 6427 the following new item:

“Sec. 6428. Payor State credit amount for individuals.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after one year after the date of the enactment of this Act.