

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**
2 **AMOUNT FOR INDIVIDUALS**

3 **SEC. 6001. SHORT TITLE.**

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

6 **SEC. 6002. PAYOR STATE CREDIT AMOUNT FOR INDIVID-**
7 **UALS.**

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

11 **“SEC. 6428. PAYOR STATE CREDIT AMOUNT FOR INDIVID-**
12 **UALS.**

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

17 “(b) INDIVIDUAL PAYOR STATE AMOUNT.—For pur-
18 poses of this section—

1 “(1) IN GENERAL.—The term ‘individual payor
2 State amount’ means the amount that is the same
3 proportion of the payor State amount as the ratio
4 that one bears to all eligible individuals of the State
5 for the calendar year preceding the calendar year in
6 which the taxable year begins.

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

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

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

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

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

23 “(B) FEDERAL TAX BURDEN.—For pur-
24 poses of subparagraph (A), the Secretary
25 shall—

1 “(i) treat all Federal taxes paid by eli-
2 gible individuals as a burden on the State
3 in which such individual resides; and

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

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

18 “(4) ELIGIBLE INDIVIDUAL.—

19 “(A) IN GENERAL.—The term ‘eligible in-
20 dividual’ means any individual who is—

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

23 “(ii) a citizen of the United States or
24 lawfully present in the United States, and

1 “(iii) a resident of the payor State for
2 more than half of the taxable year.

3 “(B) EXCEPTION.—The term ‘eligible indi-
4 vidual’ does not include—

5 “(i) any individual with respect to
6 whom a deduction under section 151 is al-
7 lowable to another taxpayer for a taxable
8 year beginning in the calendar year in
9 which the individual’s taxable year begins,
10 or

11 “(ii) an estate or trust.

12 “(c) TREATMENT OF CREDIT.—The credit allowed by
13 subsection (a) shall be treated as allowed by subpart C
14 of part IV of subchapter A of chapter 1.

15 “(d) COORDINATION WITH ADVANCE REFUNDS OF
16 CREDIT.—

17 “(1) IN GENERAL.—The amount of credit
18 which would (but for this paragraph) be allowable
19 under this section shall be reduced (but not below
20 zero) by the aggregate refunds and credits made or
21 allowed to the taxpayer under subsection (e). Any
22 failure to so reduce the credit shall be treated as
23 arising out of a mathematical or clerical error and
24 assessed according to section 6213(b)(1).

1 “(2) JOINT RETURNS.—In the case of a refund
2 or credit made or allowed under subsection (e) with
3 respect to a joint return, half of such refund or cred-
4 it shall be treated as having been made or allowed
5 to each individual filing such return.

6 “(e) ADVANCE REFUNDS AND CREDITS.—

7 “(1) IN GENERAL.—Each individual who was
8 an eligible individual for a calendar year shall be
9 treated as having made a payment against the tax
10 imposed by chapter 1 for such first taxable year in
11 an amount equal to the advance refund amount for
12 such taxable year.

13 “(2) ADVANCE REFUND AMOUNT.—For pur-
14 poses of paragraph (1), the advance refund amount
15 is the amount that would have been allowed as a
16 credit under this section for the taxable year in
17 which the calendar year begins (other than sub-
18 section (d) and this subsection) had applied to such
19 taxable year.

20 “(3) NO INTEREST.—No interest shall be al-
21 lowed on any overpayment attributable to this sec-
22 tion.

23 “(f) IDENTIFICATION NUMBER REQUIREMENT.—

24 “(1) IN GENERAL.—No credit shall be allowed
25 under subsection (a) to an eligible individual who

1 does not include on the return of tax for the taxable
2 year—

3 “(A) such individual’s valid identification
4 number,

5 “(B) in the case of a joint return, the valid
6 identification number of such individual’s
7 spouse, and

8 “(2) VALID IDENTIFICATION NUMBER.—For
9 purposes of paragraph (1), the term ‘valid identifica-
10 tion number’ means a social security number issued
11 to an individual by the Social Security Administra-
12 tion. Such term shall not include a TIN issued by
13 the Internal Revenue Service.”.

14 (b) ADMINISTRATIVE AMENDMENTS.—

15 (1) DEFINITION OF DEFICIENCY.—Section
16 6211(b)(4)(A) of such Code is amended by inserting
17 “6428,” after “168(k)(4),”.

18 (2) MATHEMATICAL OR CLERICAL ERROR AU-
19 THORITY.—Section 6213(g)(2) of such Code is
20 amended by striking “and” at the end of subpara-
21 graph (P), by striking the period at the end of sub-
22 paragraph (R) and inserting “, and”, and by insert-
23 ing after subparagraph (R) the following:

1 “(S) an omission of information required
2 under section 6428(f) to be included on a re-
3 turn.”.

4 (c) CONFORMING AMENDMENTS.—

5 (1) Paragraph (2) of section 1324(b) of title
6 31, United States Code, is amended by inserting
7 “6428,” before “or 6431”.

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

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

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

