

**H.R. 748**

**Coronavirus Aid, Relief, and Economic Security (CARES) Act**  
**Title II. Assistance for American Workers, Families, and Businesses**  
**Subtitle B—Rebates and Other Individual Provisions**  
**SEC. 2201. 2020 RECOVERY REBATES FOR INDIVIDUALS.**

**(a) In General.** *Subchapter B of chapter 65 of subtitle F of the Internal Revenue Code of 1986 is amended by inserting after section 6427 the following new section:*

Section 6428. 2020 RECOVERY REBATES FOR INDIVIDUALS.

(a) IN GENERAL. In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by subtitle A for the first taxable year beginning in 2020 an amount equal to the sum of:

- (1) \$1,200 (\$2,400 in the case of eligible individuals filing a joint return), plus
- (2) an amount equal to the product of \$500 multiplied by the number of qualifying children (*within the meaning of section 24(c)*) of the taxpayer.

(b) 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.

(c) LIMITATION BASED ON ADJUSTED GROSS INCOME. The amount of the credit allowed by subsection (a) (determined without regard to this subsection and subsection (e)) shall be reduced (but not below zero) by 5 percent of so much of the taxpayer's adjusted gross income as exceeds:

- (1) \$150,000 in the case of a joint return,
- (2) \$112,500 in the case of a head of household, and
- (3) \$75,000 in the case of a taxpayer not described in paragraph (1) or (2).

(d) ELIGIBLE INDIVIDUAL. For purposes of this section, the term 'eligible individual' means any individual other than:

- (1) any nonresident alien individual,
- (2) 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, and
- (3) an estate or trust.

(e) 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 (f). 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 (f) 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.

(f) ADVANCE REFUNDS AND CREDITS.

(1) IN GENERAL.—Subject to paragraph (5), each individual who was an eligible individual for such individual's first taxable year beginning in 2019 shall be treated as having made a payment against the tax imposed by chapter 1 for such 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 such taxable year if this section (other than subsection (e) and this subsection) had applied to such taxable year.

(3) TIMING AND MANNER OF PAYMENTS.

(A) TIMING.—The Secretary shall, subject to the provisions of this title, refund or credit any overpayment attributable to this section as rapidly as possible. No refund or credit shall be made or allowed under this subsection after December 31, 2020.

(B) DELIVERY OF PAYMENTS.—Notwithstanding any other provision of law, the Secretary may certify and disburse refunds payable under this subsection electronically to any account to which the payee authorized, on or after January 1, 2018, the delivery of a refund of taxes under this title or of a Federal payment (as defined in section 3332 of title 31, United States Code).

(C) WAIVER OF CERTAIN RULES.—Notwithstanding section 3325 of title 31, United States Code, or any other provision of law, with respect to any payment of a refund under this subsection, a disbursing official in the executive branch of the United States Government may modify payment information received from an officer or employee described in section 3325(a)(1)(B) of such title for the purpose of facilitating the accurate and efficient delivery of such payment. Except in cases of fraud or reckless neglect, no liability under sections 3325, 3527, 3528, or 3529 of title 31, United States Code, shall be imposed with respect to payments made under this subparagraph.

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

(5) ALTERNATE TAXABLE YEAR. In the case of an individual who, at the time of any determination made pursuant to paragraph (3), has not filed a tax return for the year described in paragraph (1), the Secretary may:

(A) apply such paragraph by substituting ‘2018’ for ‘2019’, and

(B) if the individual has not filed a tax return for such individual’s first taxable year beginning in 2018, use information with respect to such individual for calendar year 2019 provided in—

(i) Form SSA-1099, Social Security Benefit Statement, or

(ii) Form RRB-1099, Social Security Equivalent Benefit Statement.

(6) NOTICE TO TAXPAYER.—Not later than 15 days after the date on which the Secretary distributed any payment to an eligible taxpayer pursuant to this subsection, notice shall be sent by mail to such taxpayer’s last known address. Such notice shall indicate the method by which such payment was made, the amount of such payment, and a phone number for the appropriate point of contact at the Internal Revenue Service to report any failure to receive such payment.

(g) 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

(C) in the case of any qualifying child taken into account under subsection (a)(2), the valid identification number of such qualifying child.

(2) VALID IDENTIFICATION NUMBER.

(A) IN GENERAL. For purposes of paragraph (1), the term ‘valid identification number’ means a social security number (as such term is defined in section 24(h)(7)).

(B) ADOPTION TAXPAYER IDENTIFICATION NUMBER.—For purposes of paragraph (1)(C), in the case of a qualifying child who is adopted or placed for adoption, the term ‘valid identification number’ shall include the adoption taxpayer identification number of such child.

(3) SPECIAL RULE FOR MEMBERS OF THE ARMED FORCES.—Paragraph (1)(B) shall not apply in the case where at least 1 spouse was a member of the Armed Forces of the

United States at any time during the taxable year and at least 1 spouse satisfies paragraph (1)(A).

(4) MATHEMATICAL OR CLERICAL ERROR AUTHORITY.—Any omission of a correct valid identification number required under this subsection shall be treated as a mathematical or clerical error for purposes of applying section 6213(g)(2) to such omission.

(h) REGULATIONS. The Secretary shall prescribe such regulations or other guidance as may be necessary to carry out the purposes of this section, including any such measures as are deemed appropriate to avoid allowing multiple credits or rebates to a taxpayer.’’.

***(b) Administrative Amendments.***

***(1) DEFINITION OF DEFICIENCY. Section 6211(b)(4)(A) of the Internal Revenue Code of 1986 is amended by striking “and 36B, 168(k)(4)” and inserting “36B, and 6428”.***

***(2) MATHEMATICAL OR CLERICAL ERROR AUTHORITY.—Section 6213(g)(2)(L) of such Code is amended by striking “or 32” and inserting “32, or 6428”.***

***(c) TREATMENT OF POSSESSIONS.***

***(1) PAYMENTS TO POSSESSIONS.***

***(A) MIRROR CODE POSSESSION. The Secretary of the Treasury shall pay to each possession of the United States which has a mirror code tax system amounts equal to the loss (if any) to that possession by reason of the amendments made by this section. Such amounts shall be determined by the Secretary of the Treasury based on information provided by the government of the respective possession.***

***(B) OTHER POSSESSIONS. The Secretary of the Treasury shall pay to each possession of the United States which does not have a mirror code tax system amounts estimated by the Secretary of the Treasury as being equal to the aggregate benefits (if any) that would have been provided to residents of such possession by reason of the amendments made by this section if a mirror code tax system had been in effect in such possession. The preceding sentence shall not apply unless the respective possession has a plan, which has been approved by the Secretary of the Treasury, under which such possession will promptly distribute such payments to its residents.***

***(2) COORDINATION WITH CREDIT ALLOWED AGAINST UNITED STATES INCOME TAXES. No credit shall be allowed against United States income taxes under section 6428 of the Internal Revenue Code of 1986 (as added by this section) to any person:***

***(A) to whom a credit is allowed against taxes imposed by the possession by reason of the amendments made by this section, or***

***(B) who is eligible for a payment under a plan described in paragraph (1)(B).***

**(3) DEFINITIONS AND SPECIAL RULES.**

**(A) POSSESSION OF THE UNITED STATES.** *For purposes of this subsection, the term “possession of the United States” includes the Commonwealth of Puerto Rico and the Commonwealth of the Northern Mariana Islands.*

**(B) MIRROR CODE TAX SYSTEM.**—*For purposes of this subsection, the term “mirror code tax system” means, with respect to any possession of the United States, the income tax system of such possession if the income tax liability of the residents of such possession under such system is determined by reference to the income tax laws of the United States as if such possession were the United States.*

**(C) TREATMENT OF PAYMENTS.**—*For purposes of section 1324 of title 31, United States Code, the payments under this subsection shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.*

**(d) EXCEPTION FROM REDUCTION OR OFFSET.** *Any credit or refund allowed or made to any individual by reason of section 6428 of the Internal Revenue Code of 1986 (as added by this section) or by reason of subsection (c) of this section shall not be:*

*(1) subject to reduction or offset pursuant to section 3716 or 3720A of title 31, United States Code,*

*(2) subject to reduction or offset pursuant to subsection (d), (e), or (f) of section 6402 of the Internal Revenue Code of 1986, or*

*(3) reduced or offset by other assessed Federal taxes that would otherwise be subject to levy or collection.*

**(e) PUBLIC AWARENESS CAMPAIGN.** *The Secretary of the Treasury (or the Secretary’s delegate) shall conduct a public awareness campaign, in coordination with the Commissioner of Social Security and the heads of other relevant Federal agencies, to provide information regarding the availability of the credit and rebate allowed under section 6428 of the Internal Revenue Code of 1986 (as added by this section), including information with respect to individuals who may not have filed a tax return for taxable year 2018 or 2019.*

**(f) APPROPRIATIONS TO CARRY OUT REBATES.**

**(1) IN GENERAL.** *Immediately upon the enactment of this Act, the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending September 30, 2020:*

**(A) DEPARTMENT OF THE TREASURY.**

*(i) For an additional amount for “Department of the Treasury—Bureau of the Fiscal Service—Salaries and Expenses”, \$78,650,000, to remain available until September 30, 2021.*

*(ii) For an additional amount for “Department of the Treasury—Internal Revenue Service—Taxpayer Services”, \$293,500,000, to remain available until September 30, 2021.*

*(iii) For an additional amount for “Department of the Treasury—Internal Revenue Service—Operations Support”, \$170,000,000, to remain available until September 30, 2021.*

*(iv) For an additional amount for “Department of Treasury—Internal Revenue Service—Enforcement”, \$37,200,000, to remain available until September 30, 2021. Amounts made available in appropriations under clauses (ii), (iii), and (iv) of this subparagraph may be transferred between such appropriations upon the advance notification of the Committees on Appropriations of the House of Representatives and the Senate. Such transfer authority is in addition to any other transfer authority provided by law.*

*(B) SOCIAL SECURITY ADMINISTRATION. For an additional amount for “Social Security Administration—Limitation on Administrative Expenses”, \$38,000,000, to remain available until September 30, 2021.*

*(2) REPORTS. No later than 15 days after enactment of this Act, the Secretary of the Treasury shall submit a plan to the Committees on Appropriations of the House of Representatives and the Senate detailing the expected use of the funds provided by paragraph (1)(A). Beginning 90 days after enactment of this Act, the Secretary of the Treasury shall submit a quarterly report to the Committees on Appropriations of the House of Representatives and the Senate detailing the actual expenditure of funds provided by paragraph (1)(A) and the expected expenditure of such funds in the subsequent quarter.*

*(g) CONFORMING AMENDMENTS.*

*(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting “6428,” after “54B(h),”.*

*(2) The table of sections for subchapter B of chapter 65 of subtitle F of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 6427 the following: “Sec. 6428. 2020 Recovery Rebates for individuals.”.*