

116TH CONGRESS
2D SESSION

S. _____

To exclude from income and payroll taxes compensation received by front-line employees during the COVID-19 emergency.

IN THE SENATE OF THE UNITED STATES

Ms. ERNST introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To exclude from income and payroll taxes compensation received by front-line employees during the COVID-19 emergency.

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. SHORT TITLE.**

4 This Act may be cited as the “Financial Relief Not-
5 ing The Large Impact Of Our Nation’s Essential Employ-
6 ees (FRNT LINE) Act”.

7 **SEC. 2. DEFINITIONS.**

8 For purposes of this Act:

1 (1) COVID-19 FRONT-LINE EMPLOYEE.—The
2 term “COVID-19 front-line employee” means an
3 employee—

4 (A) whose principal place of employment
5 during the COVID-19 emergency period is on
6 the employer’s premises or at a prescribed work
7 place that is not home of the employee, and

8 (B) who is—

9 (i) identified as essential critical infra-
10 structure workforce pursuant to the guid-
11 ance issued on March 19, 2020, by Cyber-
12 security and Infrastructure Security Agen-
13 cy of the Department of Homeland Secu-
14 rity (including any revisions to such guid-
15 ance made after such date), or

16 (ii) performs restaurant and
17 foodservice work, including carryout, drive-
18 thru, or food delivery work, requiring phys-
19 ical interaction with individuals or food
20 products.

21 (2) COVID-19 EMERGENCY PERIOD.—The term
22 “COVID-19 emergency period” means the period—

23 (A) beginning on April 1, 2020, and

24 (B) ending on the earlier of—

1 (i) the last day of the first month in
2 which the emergency involving Federal pri-
3 mary responsibility determined to exist by
4 the President under section 501(b) of the
5 Robert T. Stafford Disaster Relief and
6 Emergency Assistance Act (42 U.S.C.
7 5191(b)) with respect to the Coronavirus
8 Disease 2019 (COVID–19) is no longer in
9 effect, or

10 (ii) December 31, 2020.

11 (3) OTHER TERMS.—Any term used in this Act
12 which is used in chapter 2 of the Internal Revenue
13 Code of 1986 shall have the meaning given such
14 term under such chapter.

15 **SEC. 3. EXCLUSION FROM GROSS INCOME FOR CERTAIN**
16 **COMPENSATION OF FRONT-LINE EMPLOYEES**
17 **FOR ESSENTIAL INDUSTRIES DURING THE**
18 **COVID-19 NATIONAL EMERGENCY.**

19 (a) IN GENERAL.—For purposes of the Internal Rev-
20 enue Code of 1986, gross income shall not include any
21 wages received during the COVID-19 emergency period by
22 an individual who is a COVID-19 front-line employee for
23 employment as a COVID-19 front-line employee.

24 (b) LIMITATION.—The amount of wages excluded
25 from gross income under subsection (a) for any month

1 shall not exceed \$8,803.50 for any month during any part
2 of which such COVID-19 front-line employee earned in-
3 come as an essential critical infrastructure employee.

4 (c) SPECIAL RULE FOR CHILD TAX CREDIT AND
5 EARNED INCOME CREDIT.—For purposes of sections 24
6 and 32 of the Internal Revenue Code of 1986, an taxpayer
7 may elect to treat amounts excluded from gross income
8 by reason of subsection (a) as earned income.

9 (d) REPORTING.—Any employer that makes a pay-
10 ment described in subsection (a) during a calendar year
11 shall include the amount of such payment as a separately
12 stated item on any written statement required under sec-
13 tion 6051 of the Internal Revenue Code of 1986.

14 **SEC. 4. TEMPORARY SUSPENSION OF PAYROLL TAXES.**

15 (a) IN GENERAL.—Notwithstanding any other provi-
16 sion of law, with respect to remuneration received by a
17 COVID-19 front-line employee for pay periods ending
18 after the effective date of this Act and before the date
19 described in section 2(3)(B), the rate of tax under 3101(a)
20 of the Internal Revenue Code of 1986 shall be 0 percent
21 (including for purposes of determining the applicable per-
22 centage under sections 3201(a) and 3211(a) of such
23 Code).

24 (b) LIMITATION.—

1 (1) IN GENERAL.—Subsection (a) shall not
2 apply to any COVID-19 front-line employee whose
3 annual wages for the calendar year is expected to ex-
4 ceed \$50,000.

5 (2) GUIDANCE.—The Secretary shall prescribed
6 regulations or other guidance for purposes of deter-
7 mining the amount of expected annual wages for
8 nonsalaried employees, including for situations in
9 which an employee expects annual wages in excess of
10 the amount described in paragraph (1) from more
11 than 1 employer.

12 (c) EMPLOYER NOTIFICATION.—The Secretary of the
13 Treasury shall notify employers of the payroll tax suspen-
14 sion period in any manner the Secretary deems appro-
15 priate.

16 (d) TRANSFERS OF FUNDS.—

17 (1) TRANSFERS TO FEDERAL OLD-AGE AND
18 SURVIVORS INSURANCE TRUST FUND.—There are
19 hereby appropriated to the Federal Old Age and
20 Survivors Trust Fund and the Federal Disability In-
21 surance Trust Fund established under section 201
22 of the Social Security Act (42 U.S.C. 401) amounts
23 equal to the reduction in revenues to the Treasury
24 by reason of the application of section 4. Amounts
25 appropriated by the preceding sentence shall be

1 transferred from the general fund at such times and
2 in such manner as to replicate to the extent possible
3 the transfers which would have occurred to such
4 Trust Fund had such amendments not been enacted.

5 (2) TRANSFERS TO SOCIAL SECURITY EQUIVA-
6 LENT BENEFIT ACCOUNT.—There are hereby appro-
7 priated to the Social Security Equivalent Benefit Ac-
8 count established under section 15A(a) of the Rail-
9 road Retirement Act of 1974 (45 U.S.C. 231n–1(a))
10 amounts equal to the reduction in revenues to the
11 Treasury by reason of the application of section 4.
12 Amounts appropriated by the preceding sentence
13 shall be transferred from the general fund at such
14 times and in such manner as to replicate to the ex-
15 tent possible the transfers which would have oc-
16 curred to such account had such amendments not
17 been enacted.

18 (e) COORDINATION WITH OTHER FEDERAL LAWS.—
19 For purposes of applying any provision of Federal law
20 other than the provisions of the Internal Revenue Code
21 of 1986, the rate of tax in effect under section 3101(a)
22 of such Code shall be determined without regard to the
23 reduction in such rate under this section.