

103^D CONGRESS
1ST SESSION

H. R. 1114

To amend the Internal Revenue Code of 1986 to simplify the application of employment taxes in the case of domestic services.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1993

Mrs. MEEK introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to simplify the application of employment taxes in the case of domestic services.

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. SIMPLIFICATION OF EMPLOYMENT TAXES ON**
4 **DOMESTIC SERVICES.**

5 (a) THRESHOLD REQUIREMENT FOR SOCIAL SECUR-
6 RITY TAXES.—

7 (1) Subparagraph (B) of section 3121(a)(7) of
8 the Internal Revenue Code of 1986 (defining wages)
9 is amended to read as follows:

1 “(B) cash remuneration paid by an em-
2 ployer in any calendar year to an employee for
3 domestic service in a private home of the em-
4 ployer, if the cash remuneration paid in such
5 year by the employer to the employee for such
6 service is less than \$300. As used in this sub-
7 paragraph, the term ‘domestic service in a pri-
8 vate home of the employer’ does not include
9 service described in subsection (g)(5);”

10 (2) Subparagraph (B) of section 209(a)(6) of
11 the Social Security Act is amended to read as
12 follows:

13 “(B) Cash remuneration paid by an em-
14 ployer in any calendar year to an employee for
15 domestic service in a private home of the em-
16 ployer, if the cash remuneration paid in such
17 year by the employer to the employee for such
18 service is less than \$300. As used in this sub-
19 paragraph, the term ‘domestic service in a pri-
20 vate home of the employer’ does not include
21 service described in section 210(f)(5).”

22 (3) The second sentence of section 3102(a) of
23 such Code is amended—

1 (A) by striking “calendar quarter” each
2 place it appears and inserting “calendar year”,
3 and

4 (B) by striking “\$50” and inserting
5 “\$300”.

6 (b) COORDINATION OF COLLECTION OF DOMESTIC
7 SERVICE EMPLOYMENT WITH COLLECTION OF INCOME
8 TAXES.—

9 (1) IN GENERAL.—Chapter 25 of such Code
10 (relating to general provisions relating to employ-
11 ment taxes) is amended by adding at the end thereof
12 the following new section:

13 **SEC. 3510. COORDINATION OF COLLECTION OF DOMESTIC**
14 **SERVICE EMPLOYMENT TAXES WITH COLLEC-**
15 **TION OF INCOME TAXES.**

16 “(a) GENERAL RULE.—Except as otherwise provided
17 in this section—

18 “(1) returns with respect to domestic service
19 employment taxes shall be made on a calendar year
20 basis,

21 “(2) any such return for any calendar year
22 shall be filed on or before the 15th day of the fourth
23 month following the close of the employer’s taxable
24 year which begins in such calendar year, and

1 “(3) no requirement to make deposits (or to
2 pay installments under section 6157) shall apply
3 with respect to such taxes.

4 “(b) DOMESTIC SERVICE EMPLOYMENT TAXES SUB-
5 JECT TO ESTIMATED TAX PROVISIONS.—

6 “(1) IN GENERAL.—Solely for purposes of sec-
7 tion 6654, domestic service employment taxes im-
8 posed with respect to any calendar year shall be
9 treated as a tax imposed by chapter 2 for the tax-
10 able year of the employer which begins in such
11 calendar year.

12 “(2) ANNUALIZATION.—Under regulations pre-
13 scribed by the Secretary, appropriate adjustments
14 shall be made in the application of section
15 6654(d)(2) in respect of the amount treated as tax
16 under paragraph (1).

17 “(3) TRANSITIONAL RULE.—For purposes of
18 applying section 6654 to a taxable year beginning in
19 1993, the amount referred to in clause (ii) of section
20 6654(d)(1)(B) shall be increased by 90 percent of
21 the amount treated as tax under paragraph (1) for
22 such taxable year.

23 “(c) DOMESTIC SERVICE EMPLOYMENT TAXES.—
24 For purposes of this section, the term ‘domestic service
25 employment taxes’ means—

1 “(1) any taxes imposed by chapter 21 or 23 on
2 remuneration paid for domestic service in a private
3 home of the employer, and

4 “(2) any amount withheld from such remunera-
5 tion pursuant to an agreement under section
6 3402(p).

7 For purposes of this subsection, the term ‘domestic service
8 in a private home of the employer’ does not include service
9 described in section 3121(g)(5).

10 “(d) EXCEPTION WHERE EMPLOYER LIABLE FOR
11 OTHER EMPLOYMENT TAXES.—To the extent provided in
12 regulations prescribed by the Secretary, this section shall
13 not apply to any employer for any calendar year if such
14 employer is liable for any tax under this subtitle with re-
15 spect to remuneration for services other than domestic
16 service in a private home of the employer.

17 “(e) GENERAL REGULATORY AUTHORITY.—The Sec-
18 retary shall prescribe such regulations as may be nec-
19 essary or appropriate to carry out the purposes of this
20 section. Such regulations may treat domestic service em-
21 ployment taxes as taxes imposed by chapter 1 for purposes
22 of coordinating the assessment and collection of such em-
23 ployment taxes with the assessment and collection of do-
24 mestic employers’ income taxes.

1 “(f) AUTHORITY TO ENTER INTO AGREEMENTS TO
2 COLLECT STATE UNEMPLOYMENT TAXES.—

3 “(1) IN GENERAL.—The Secretary is hereby
4 authorized to enter into an agreement with any
5 State to collect, as the agent of such State, such
6 State’s unemployment taxes imposed on remunera-
7 tion paid for domestic service in a private home of
8 the employer. Any taxes to be collected by the Sec-
9 retary pursuant to such an agreement shall be
10 treated as domestic service employment taxes for
11 purposes of this section.

12 “(2) TRANSFERS TO STATE ACCOUNT.—Any
13 amount collected under an agreement referred to in
14 paragraph (1) shall be transferred by the Secretary
15 to the account of the State in the Unemployment
16 Trust Fund.

17 “(3) SUBTITLE F MADE APPLICABLE.—For
18 purposes of subtitle F, any amount required to be
19 collected under an agreement under paragraph (1)
20 shall be treated as a tax imposed by chapter 23.

21 “(4) STATE.—For purposes of this subsection,
22 the term ‘State’ has the meaning given such term by
23 section 3306(j)(1).”

