

116TH CONGRESS
2D SESSION

H. R. 7960

To amend the Internal Revenue Code of 1986 to provide direct payments to individuals in response to the coronavirus pandemic, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 7, 2020

Ms. DEAN (for herself and Mr. CARTWRIGHT) 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 provide direct payments to individuals in response to the coronavirus pandemic, and for other purposes.

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 “Payments for the Peo-
5 ple Act”.

6 **SEC. 2. ADDITIONAL RECOVERY REBATES TO INDIVIDUALS.**

7 (a) IN GENERAL.—Subchapter B of chapter 65 of the
8 Internal Revenue Code of 1986 is amended by inserting
9 after section 6428 the following new section:

1 **“SEC. 6428A. ADDITIONAL RECOVERY REBATES TO INDIVID-**
2 **UALS.**

3 “(a) IN GENERAL.—On each applicable date, each el-
4 igible individual shall be allowed a credit against the tax
5 imposed by subtitle A for the applicable taxable year in
6 an amount equal to the additional rebate amount deter-
7 mined for each quarter in such taxable year.

8 “(b) APPLICABLE DATE.—For purposes of this sec-
9 tion, the term ‘applicable date’ means the first day of the
10 month after the date of the enactment of this section and
11 on the first day of every third month thereafter—

12 “(1) during the period—

13 “(A) beginning on the date of the enact-
14 ment of this section, and

15 “(B) ending in the month beginning after
16 any quarter for which the 3-month average na-
17 tional total unemployment rate is less than 5.5
18 percent and has decreased for the last two
19 months, or

20 “(2) during any subsequent period—

21 “(A) beginning in the month beginning
22 after any quarter for which the 3-month aver-
23 age national total unemployment rate is greater
24 than 5.5 percent, and

25 “(B) ending in the month beginning after
26 any quarter for which the 3-month average na-

1 tional total unemployment rate is less than 5.5
2 percent and has decreased for the last two
3 months.

4 “(c) ADDITIONAL REBATE AMOUNT.—For purposes
5 of this section, the term ‘additional rebate amount’ means,
6 with respect to any taxpayer—

7 “(1) with respect to a quarter in which the 3-
8 month average national total unemployment rate is
9 8.5% or higher—

10 “(A) \$2,000 (\$4,000 in the case of a joint
11 return), plus

12 “(B) \$2,000 multiplied by the number of
13 dependents of the taxpayer for such taxable
14 year,

15 “(2) with respect to any quarter in which the
16 3-month average national total unemployment rate
17 is less than 8.5% but greater than or equal to
18 7.0%—

19 “(A) \$1,500 (\$3,000 in the case of a joint
20 return), plus

21 “(B) \$1,500 multiplied by the number of
22 dependents of the taxpayer for such taxable
23 year,

1 “(3) with respect to any quarter in which the
2 3-month average national total unemployment rate
3 less than 7.0% but greater than or equal to 5.5%—

4 “(A) \$1,000 (\$2,000 in the case of a joint
5 return), plus

6 “(B) \$1,000 multiplied by the number of
7 dependents of the taxpayer for such taxable
8 year,

9 “(4) with respect to any quarter in which the
10 3-month average national total unemployment rate
11 is less than 5.5%, \$0.

12 “(d) ELIGIBLE INDIVIDUAL.—For purposes of this
13 section, the term ‘eligible individual’ means, with respect
14 to the applicable taxable year, any individual other than—

15 “(1) any nonresident alien individual,

16 “(2) any individual with respect to whom a de-
17 duction under section 151 is allowable to another
18 taxpayer for a taxable year beginning in the cal-
19 endar year in which the individual’s taxable year be-
20 gins, and

21 “(3) an estate or trust.

22 “(e) LIMITATION BASED ON MODIFIED ADJUSTED
23 GROSS INCOME.—The amount of the credit allowed by
24 subsection (a) with respect to an applicable taxable year
25 (determined without regard to this subsection and sub-

1 section (g)) shall be reduced (but not below zero) by 5
2 percent of so much of the taxpayer's modified adjusted
3 gross income in such taxable year as exceeds—

4 “(1) \$150,000 in the case of a joint return or
5 a surviving spouse (as defined in section 2(a)),

6 “(2) \$112,500 in the case of a head of house-
7 hold (as defined in section 2(b)), and

8 “(3) \$75,000 in any other case.

9 “(f) DEFINITIONS AND SPECIAL RULES.—

10 “(1) APPLICABLE TAXABLE YEAR.—For pur-
11 poses of this section, the term ‘applicable taxable
12 year’ means the taxable year ending in the calendar
13 year preceding the date on which a credit under sub-
14 section (a) is allowed.

15 “(2) MODIFIED ADJUSTED GROSS INCOME.—
16 For purposes of this section, the term ‘modified ad-
17 justed gross income’ means adjusted gross income
18 determined without regard to sections 911, 931, and
19 933.

20 “(3) NATIONAL TOTAL UNEMPLOYMENT
21 RATE.—For purposes of this section, the term ‘na-
22 tional total unemployment rate’ means the rate de-
23 termined in the most recently available unemploy-
24 ment data release published by the Bureau of Labor
25 Statistics of the Department of Labor.

1 “(4) DEPENDENT DEFINED.—For purposes of
2 this section, the term ‘dependent’ has the meaning
3 given such term in section 152.

4 “(5) CREDIT TREATED AS REFUNDABLE.—The
5 credit allowed by subsection (a) shall be treated as
6 allowed by subpart C of part IV of subchapter A of
7 chapter 1.

8 “(6) IDENTIFICATION NUMBER REQUIRE-
9 MENT.—

10 “(A) IN GENERAL.—The credit amount de-
11 termined under subsection (c) shall be treated
12 as being zero unless the taxpayer includes the
13 TIN (as defined in section 7701(a)(41)) of the
14 taxpayer on the return of tax for the taxable
15 year.

16 “(B) JOINT RETURNS.—In the case of a
17 joint return, the credit amount determined
18 under subsection (c) shall be treated as being—

19 “(i) zero if the TIN of neither spouse
20 is included on the return of tax for the
21 taxable year, and

22 “(ii) the amount calculated for a sin-
23 gle filer, if the TIN of only one spouse is
24 so included.

1 “(C) DEPENDENTS.—A dependent shall
2 not be taken into account under subsection
3 (a)(2) unless the TIN of such dependent is in-
4 cluded on the return of tax for the taxable year.

5 “(D) SPECIAL RULE FOR MEMBERS OF
6 THE ARMED FORCES.—Paragraph (1) shall not
7 apply to a joint return where at least 1 spouse
8 was a member of the Armed Forces of the
9 United States at any time during the applicable
10 taxable year.

11 “(E) COORDINATION WITH CERTAIN AD-
12 VANCE PAYMENTS.—In the case of any payment
13 made pursuant to subsection (h)(5)(A)(ii), a
14 TIN shall be treated for purposes of this para-
15 graph as included on the taxpayer’s return of
16 tax if such TIN is provided pursuant to such
17 subsection.

18 “(g) COORDINATION WITH ADVANCE REFUNDS OF
19 CREDIT.—

20 “(1) REDUCTION OF REFUNDABLE CREDIT.—
21 The amount of the credit which would (but for this
22 paragraph) be allowable under subsection (a) shall
23 be reduced (but not below zero) by the aggregate re-
24 funds and credits made or allowed to the taxpayer
25 (or any dependent of the taxpayer) under subsection

1 (h). Any failure to so reduce the credit shall be
2 treated as arising out of a mathematical or clerical
3 error and assessed according to section 6213(b)(1).

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

9 “(h) ADVANCE REFUNDS AND CREDITS.—

10 “(1) IN GENERAL.—Subject to paragraph (5),
11 each individual who was an eligible individual in an
12 applicable taxable year shall be treated as having
13 made a payment against the tax imposed by chapter
14 1 for such taxable year in an amount equal to the
15 advance refund amount for such taxable year.

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

22 “(3) TIMING AND MANNER OF PAYMENTS.—

23 “(A) TIMING.—The Secretary shall, sub-
24 ject to the provisions of this title, refund or

1 credit any overpayment attributable to this sec-
2 tion as rapidly as possible.

3 “(B) DELIVERY OF PAYMENTS.—Notwith-
4 standing any other provision of law, the Sec-
5 retary may certify and disburse refunds payable
6 under this section—

7 “(i) electronically to any account to
8 which the payee authorized, on or after
9 January 1, 2018, the delivery of a refund
10 of taxes under this title or of a Federal
11 payment (as defined in section 3332 of
12 title 31, United States Code),

13 “(ii) to a Direct Express prepaid debit
14 card, or

15 “(iii) in the event that electronic dis-
16 bursement or Direct Express payment is
17 not possible, through such other means as
18 are determined appropriate by the Sec-
19 retary, including through the use of stored
20 value cards and online payment systems.

21 “(C) WAIVER OF CERTAIN RULES.—Not-
22 withstanding section 3325 of title 31, United
23 States Code, or any other provision of law, with
24 respect to any payment of a refund under this
25 subsection, a disbursing official in the executive

1 branch of the United States Government may
2 modify payment information received from an
3 officer or employee described in section
4 3325(a)(1)(B) of such title for the purpose of
5 facilitating the accurate and efficient delivery of
6 such payment. Except in cases of fraud or reck-
7 less neglect, no liability under section 3325,
8 3527, 3528, or 3529 of title 31, United States
9 Code, shall be imposed with respect to pay-
10 ments made under this subparagraph.

11 “(4) NO INTEREST.—No interest shall be al-
12 lowed on any overpayment attributable to this sec-
13 tion.

14 “(5) APPLICATION TO INDIVIDUALS WHO DO
15 NOT FILE A RETURN OF TAX FOR APPLICABLE TAX
16 YEAR.—

17 “(A) IN GENERAL.—In the case of an indi-
18 vidual who, at the time of any determination
19 made pursuant to paragraph (3), has not filed
20 a tax return for an applicable tax year de-
21 scribed in paragraph (1), the Secretary shall—

22 “(i) apply paragraph (1) by sub-
23 stituting the taxable year preceding the ap-
24 plicable taxable year, or

1 “(ii) in the case of an individual who
2 has not filed a tax return for the taxable
3 year described in clause (i), determine the
4 advance refund amount with respect to
5 such individual on the basis of information
6 with respect to such individual which—

7 “(I) in the case of a specified so-
8 cial security beneficiary or a specified
9 supplemental security income recipi-
10 ent, is provided by the Commissioner
11 of Social Security,

12 “(II) in the case of a specified
13 railroad retirement beneficiary, is pro-
14 vided by the Railroad Retirement
15 Board,

16 “(III) in the case of a specified
17 veterans beneficiary, is provided by
18 the Secretary of Veterans Affairs (in
19 coordination with, and with the assist-
20 ance of, the Commissioner of Social
21 Security if appropriate), and

22 “(IV) in the case of any other in-
23 dividual, is determined using aggre-
24 gate payment information provided by
25 the employer of such individual, in-

1 including information provided on Form
2 W-2 or Form 1099.

3 “(B) SPECIFIED SOCIAL SECURITY BENE-
4 FICIARY.—For purposes of this paragraph—

5 “(i) IN GENERAL.—The term ‘speci-
6 fied social security beneficiary’ means any
7 individual who, for the last month that
8 ends prior to the date of enactment of this
9 section, is entitled to any monthly insur-
10 ance benefit payable under title II of the
11 Social Security Act (42 U.S.C. 401 et
12 seq.), including payments made pursuant
13 to sections 202(d), 223(g), and 223(i)(7)
14 of such Act.

15 “(ii) EXCEPTION.—Such term shall
16 not include any individual if such benefit is
17 not payable for such month by reason of
18 section 202(x) of the Social Security Act
19 (42 U.S.C. 402(x)) or section 1129A of
20 such Act (42 U.S.C. 1320a-8a).

21 “(C) SPECIFIED SUPPLEMENTAL SECURITY
22 INCOME RECIPIENT.—For purposes of this
23 paragraph—

24 “(i) IN GENERAL.—The term ‘speci-
25 fied supplemental security income recipi-

1 ent' means any individual who, for the last
2 month that ends prior to the date of enact-
3 ment of this section, is eligible for a
4 monthly benefit payable under title XVI of
5 the Social Security Act (42 U.S.C. 1381 et
6 seq.) (other than a benefit to an individual
7 described in section 1611(e)(1)(B) of such
8 Act (42 U.S.C. 1382(e)(1)(B))), includ-
9 ing—

10 “(I) payments made pursuant to
11 section 1614(a)(3)(C) of such Act (42
12 U.S.C. 1382e(a)(3)(C)),

13 “(II) payments made pursuant to
14 section 1619(a) (42 U.S.C. 1382h) or
15 subsection (a)(4), (a)(7), or (p)(7) of
16 section 1631 (42 U.S.C. 1383) of
17 such Act, and

18 “(III) State supplementary pay-
19 ments of the type referred to in sec-
20 tion 1616(a) of such Act (42 U.S.C.
21 1382e(a)) (or payments of the type
22 described in section 212(a) of Public
23 Law 93–66) which are paid by the
24 Commissioner under an agreement re-

1 ferred to in such section 1616(a) (or
2 section 212(a) of Public Law 93–66).

3 “(ii) EXCEPTION.—Such term shall
4 not include any individual if such monthly
5 benefit is not payable for such month by
6 reason of subsection (e)(1)(A) or (e)(4) of
7 section 1611 (42 U.S.C. 1382) or section
8 1129A of such Act (42 U.S.C. 1320a–8a).

9 “(D) SPECIFIED RAILROAD RETIREMENT
10 BENEFICIARY.—For purposes of this para-
11 graph, the term ‘specified railroad retirement
12 beneficiary’ means any individual who, for the
13 last month that ends prior to the date of enact-
14 ment of this section, is entitled to a monthly
15 annuity or pension payment payable (without
16 regard to section 5(a)(ii) of the Railroad Retire-
17 ment Act of 1974 (45 U.S.C. 231d(a)(ii)))
18 under—

19 “(i) section 2(a)(1) of such Act (45
20 U.S.C. 231a(a)(1)),

21 “(ii) section 2(c) of such Act (45
22 U.S.C. 231a(c)),

23 “(iii) section 2(d)(1) of such Act (45
24 U.S.C. 231a(d)(1)), or

1 “(iv) section 7(b)(2) of such Act (45
2 U.S.C. 231f(b)(2)) with respect to any of
3 the benefit payments described in subpara-
4 graph (C)(i).

5 “(E) SPECIFIED VETERANS BENE-
6 FICIARY.—For purposes of this paragraph—

7 “(i) IN GENERAL.—The term ‘speci-
8 fied veterans beneficiary’ means any indi-
9 vidual who, for the last month that ends
10 prior to the date of enactment of this sec-
11 tion, is entitled to a compensation or pen-
12 sion payment payable under—

13 “(I) section 1110, 1117, 1121,
14 1131, 1141, or 1151 of title 38,
15 United States Code,

16 “(II) section 1310, 1312, 1313,
17 1315, 1316, or 1318 of title 38,
18 United States Code,

19 “(III) section 1513, 1521, 1533,
20 1536, 1537, 1541, 1542, or 1562 of
21 title 38, United States Code, or

22 “(IV) section 1805, 1815, or
23 1821 of title 38, United States Code,
24 to a veteran, surviving spouse, child, or
25 parent as described in paragraph (2), (3),

1 (4)(A)(ii), or (5) of section 101, title 38,
2 United States Code.

3 “(ii) EXCEPTION.—Such term shall
4 not include any individual if such com-
5 pensation or pension payment is not pay-
6 able, or was reduced, for such month by
7 reason of section 1505, 5313, or 5313B of
8 title 38, United States Code.

9 “(F) SUBSEQUENT DETERMINATIONS AND
10 REDETERMINATIONS NOT TAKEN INTO AC-
11 COUNT.—For purposes of this section, any indi-
12 vidual’s status as a specified social security ben-
13 efiary, a specified supplemental security in-
14 come recipient, a specified railroad retirement
15 beneficiary, or a specified veterans beneficiary
16 shall be unaffected by any determination or re-
17 determination of any entitlement to, or eligi-
18 bility for, any benefit, payment, or compensa-
19 tion, if such determination or redetermination
20 occurs after the last month that ends prior to
21 the date of enactment of this section.

22 “(G) PAYMENT TO REPRESENTATIVE PAY-
23 EES AND FIDUCIARIES.—

24 “(i) IN GENERAL.—If the benefit,
25 payment, or compensation referred to in

1 subparagraph (C)(i), (D)(i), (E), or (F)(i)
2 with respect to any specified individual is
3 paid to a representative payee or fiduciary,
4 payment by the Secretary under paragraph
5 (3) with respect to such specified indi-
6 vidual shall be made to such individual's
7 representative payee or fiduciary and the
8 entire payment shall be used only for the
9 benefit of the individual who is entitled to
10 the payment.

11 “(ii) APPLICATION OF ENFORCEMENT
12 PROVISIONS.—

13 “(I) In the case of a payment de-
14 scribed in clause (i) which is made
15 with respect to a specified social secu-
16 rity beneficiary or a specified supple-
17 mental security income recipient, sec-
18 tion 1129(a)(3) of the Social Security
19 Act (42 U.S.C. 1320a–8(a)(3)) shall
20 apply to such payment in the same
21 manner as such section applies to a
22 payment under title II or XVI of such
23 Act.

24 “(II) In the case of a payment
25 described in clause (i) which is made

1 with respect to a specified railroad re-
2 tirement beneficiary, section 13 of the
3 Railroad Retirement Act (45 U.S.C.
4 2311) shall apply to such payment in
5 the same manner as such section ap-
6 plies to a payment under such Act.

7 “(III) In the case of a payment
8 described in clause (i) which is made
9 with respect to a specified veterans
10 beneficiary, sections 5502, 6106, and
11 6108 of title 38, United States Code,
12 shall apply to such payment in the
13 same manner as such sections apply
14 to a payment under such title.

15 “(6) NOTICE TO TAXPAYER.—Not later than 15
16 days after the date on which the Secretary distrib-
17 uted any payment to an eligible taxpayer pursuant
18 to this subsection, notice shall be sent by mail to
19 such taxpayer’s last known address. Such notice
20 shall indicate the method by which such payment
21 was made, the amount of such payment, and a
22 phone number for the appropriate point of contact
23 at the Internal Revenue Service to report any error
24 with respect to such payment.

1 “(i) REGULATIONS.—The Secretary shall prescribe
2 such regulations or other guidance as may be necessary
3 or appropriate to carry out the purposes of this section,
4 including—

5 “(1) regulations or other guidance providing
6 taxpayers the opportunity to provide the Secretary
7 information sufficient to allow the Secretary to make
8 payments to such taxpayers under subsection (h)
9 (including the determination of the amount of such
10 payment) if such information is not otherwise avail-
11 able to the Secretary, and

12 “(2) regulations or other guidance providing for
13 the proper treatment of joint returns and taxpayers
14 with dependents to ensure that an individual is not
15 taken into account more than once in determining
16 the amount of any credit under subsection (a) and
17 any credit or refund under subsection (h).”.

18 (b) TREATMENT OF CERTAIN POSSESSIONS.—

19 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
20 CODE TAX SYSTEMS.—The Secretary of the Treas-
21 ury shall pay to each possession of the United States
22 which has a mirror code tax system amounts equal
23 to the loss (if any) to that possession by reason of
24 the amendments made by this section. Such
25 amounts shall be determined by the Secretary of the

1 Treasury based on information provided by the gov-
2 ernment of the respective possession.

3 (2) PAYMENTS TO OTHER POSSESSIONS.—The
4 Secretary of the Treasury shall pay to each posses-
5 sion of the United States which does not have a mir-
6 ror code tax system amounts estimated by the Sec-
7 retary of the Treasury as being equal to the aggre-
8 gate benefits (if any) that would have been provided
9 to residents of such possession by reason of the
10 amendments made by this section if a mirror code
11 tax system had been in effect in such possession.
12 The preceding sentence shall not apply unless the re-
13 spective possession has a plan, which has been ap-
14 proved by the Secretary of the Treasury, under
15 which such possession will promptly distribute such
16 payments to its residents.

17 (3) COORDINATION WITH CREDIT ALLOWED
18 AGAINST UNITED STATES INCOME TAXES.—No cred-
19 it shall be allowed against United States income
20 taxes under section 6428A of the Internal Revenue
21 Code of 1986 (as added by this section), nor shall
22 any credit or refund be made or allowed under sub-
23 section (h) of such section, to any person—

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

4 (B) who is eligible for a payment under a
5 plan described in paragraph (2).

6 (4) MIRROR CODE TAX SYSTEM.—For purposes
7 of this subsection, the term “mirror code tax sys-
8 tem” means, with respect to any possession of the
9 United States, the income tax system of such posses-
10 sion if the income tax liability of the residents of
11 such possession under such system is determined by
12 reference to the income tax laws of the United
13 States as if such possession were the United States.

14 (c) ADMINISTRATIVE PROVISIONS.—

15 (1) DEFINITION OF DEFICIENCY.—Section
16 6211(b)(4)(A) of the Internal Revenue Code of 1986
17 is amended by striking “and 6428” and inserting
18 “6428, and 6428A”.

19 (2) MATHEMATICAL OR CLERICAL ERROR AU-
20 THORITY.—Section 6213(g)(2) of such Code is
21 amended—

22 (A) by inserting “or section 6428A (relat-
23 ing to additional recovery rebates to individ-
24 uals)” before the comma at the end of subpara-
25 graph (H), and

1 (B) by striking “or 6428” in subparagraph
2 (L) and inserting “6428, or 6428A”.

3 (3) EXCEPTION FROM REDUCTION OR OFF-
4 SET.—Any credit or refund allowed or made to any
5 individual by reason of section 6428A of the Internal
6 Revenue Code of 1986 (as added by this section) or
7 by reason of subsection (b) of this section shall not
8 be—

9 (A) subject to reduction or offset pursuant
10 to section 3716 or 3720A of title 31, United
11 States Code,

12 (B) subject to reduction or offset pursuant
13 to subsection (c), (d), (e), or (f) of section 6402
14 of the Internal Revenue Code of 1986, or

15 (C) reduced or offset by other assessed
16 Federal taxes that would otherwise be subject
17 to levy or collection.

18 (4) ASSIGNMENT OF BENEFITS.—

19 (A) IN GENERAL.—Any applicable pay-
20 ment shall not be subject to transfer, assign-
21 ment, execution, levy, attachment, garnishment,
22 or other legal process, or the operation of any
23 bankruptcy or insolvency law, to the same ex-
24 tent as payments described in section 207 of

1 the Social Security Act (42 U.S.C. 407) without
2 regard to subsection (b) thereof.

3 (B) ENCODING OF PAYMENTS.—As soon as
4 practicable after the date of the enactment of
5 the paragraph, the Secretary of the Treasury
6 shall encode applicable payments that are paid
7 electronically to any account—

8 (i) with a unique identifier that is rea-
9 sonably sufficient to allow a financial insti-
10 tution to identify the payment as a pay-
11 ment protected under subparagraph (A),
12 and

13 (ii) pursuant to the same specifica-
14 tions as required for a benefit payment to
15 which part 212 of title 31, Code of Federal
16 regulations applies.

17 (C) GARNISHMENT.—

18 (i) ENCODED PAYMENTS.—Upon re-
19 ceipt of a garnishment order that applies
20 to an account that has received an applica-
21 ble payment that is encoded as provided in
22 subparagraph (B), a financial institution
23 shall follow the requirements and proce-
24 dures set forth in part 212 of title 31,
25 Code of Federal Regulations. This para-

1 graph shall not alter the status of pay-
2 ments as tax refunds or other nonbenefit
3 payments for purposes of any reclamation
4 rights of the Department of the Treasury
5 or the Internal Revenue Service as per
6 part 210 of title 31 of the Code of Federal
7 Regulations.

8 (ii) OTHER PAYMENTS.—If a financial
9 institution receives a garnishment order
10 (other than an order that has been served
11 by the United States) that applies to an
12 account into which an applicable payment
13 that has not been encoded as provided in
14 subparagraph (B) has been deposited on
15 any date in the prior 60 days (including
16 any date before the date of the enactment
17 of this paragraph), the financial institu-
18 tion, upon the request of the account hold-
19 er or for purposes of complying in good
20 faith with a State order, State law, court
21 order, or interpretation by a State Attor-
22 ney General relating to garnishment order,
23 may, but is not required to, treat the
24 amount of the payment as exempt under
25 law from garnishment without requiring

1 the account holder to assert any right of
2 garnishment exemption or requiring the
3 consent of the judgment creditor.

4 (iii) LIABILITY.—A financial institu-
5 tion that complies in good faith with clause
6 (i) or that acts in good faith in reliance on
7 clause (ii) shall not be liable under any
8 Federal or State law, regulation, or court
9 or other order to a creditor that initiates
10 an order for any protected amounts, to an
11 account holder for any frozen amounts or
12 garnishment order applied.

13 (D) DEFINITIONS.—For purposes of this
14 paragraph—

15 (i) ACCOUNT HOLDER.—The term
16 “account holder” means a natural person
17 against whom a garnishment order is
18 issued and whose name appears in a finan-
19 cial institution’s records.

20 (ii) APPLICABLE PAYMENT.—The
21 term “applicable payment” means any pay-
22 ment of credit or refund by reason of sec-
23 tion 6428 of such Code (as so added) or by
24 reason of subsection (c) of this section.

1 (iii) GARNISHMENT.—The term “gar-
2 nishment” means execution, levy, attach-
3 ment, garnishment, or other legal process.

4 (iv) GARNISHMENT ORDER.—The
5 term “garnishment order” means a writ,
6 order, notice, summons, judgment, levy, or
7 similar written instruction issued by a
8 court, a State or State agency, a munici-
9 pality or municipal corporation, or a State
10 child support enforcement agency, includ-
11 ing a lien arising by operation of law for
12 overdue child support or an order to freeze
13 the assets in an account, to effect a gar-
14 nishment against a debtor.

15 (5) TREATMENT OF CREDIT AND ADVANCE PAY-
16 MENTS.—For purposes of section 1324 of title 31,
17 United States Code, any credit under section
18 6428A(a) of the Internal Revenue Code of 1986, any
19 credit or refund under section 6428A(h) of such
20 Code, and any payment under subsection (b) of this
21 section, shall be treated in the same manner as a re-
22 fund due from a credit provision referred to in sub-
23 section (b)(2) of such section 1324.

24 (6) AGENCY INFORMATION SHARING AND AS-
25 SISTANCE.—The Commissioner of Social Security,

1 the Railroad Retirement Board, and the Secretary of
2 Veterans Affairs shall each provide the Secretary of
3 the Treasury (or the Secretary's delegate) such in-
4 formation and assistance as the Secretary of the
5 Treasury (or the Secretary's delegate) may require
6 for purposes of making payments under section
7 6428A(g) of the Internal Revenue Code of 1986 to
8 individuals described in paragraph (5)(A)(ii) thereof.

9 (7) CLERICAL AMENDMENT.—The table of sec-
10 tions for subchapter B of chapter 65 of the Internal
11 Revenue Code of 1986 is amended by inserting after
12 the item relating to section 6428 the following new
13 item:

“Sec. 6428A. Additional recovery rebates to individuals.”.

14 (d) EFFECTIVE DATE.—The amendments made by
15 this section shall take effect on the date of the enactment
16 of this Act.

17 **SEC. 3. REFUND OF BALANCE OWED WITH RESPECT TO**
18 **CERTAIN DEPENDENTS.**

19 In the case of any taxpayer with respect to whom a
20 partial refund or credit was made or allowed before the
21 date of the enactment of this Act under subsection (f) of
22 section 6428 of the Internal Revenue Code of 1986 and
23 for whom a balance is owed with respect to a dependent,
24 the Secretary shall, before December 31, 2020, certify and
25 disburse the balance of such refund electronically to any

1 account to which the payee authorized, on or after Janu-
2 ary 1, 2018, the delivery of a refund of taxes or of a Fed-
3 eral payment (as defined in section 3332 of title 31,
4 United States Code).

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