

116TH CONGRESS
2D SESSION

S. 4877

To amend the Internal Revenue Code of 1986 to establish a refundable tax credit to help middle class taxpayers.

IN THE SENATE OF THE UNITED STATES

OCTOBER 26 (legislative day, OCTOBER 19), 2020

Ms. CORTEZ MASTO introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to establish a refundable tax credit to help middle class taxpayers.

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 “Rebuild Americans’
5 Income to Strengthen and Empower Working Families
6 Act” or “RAISE Working Families Act”.

7 **SEC. 2. ESTABLISHMENT OF MIDDLE CLASS TAX CREDIT.**

8 (a) IN GENERAL.—Subpart C of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by inserting after section 36 the fol-
2 lowing new section:

3 **“SEC. 36A. MIDDLE CLASS TAX CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
5 gible individual, there shall be allowed as a credit against
6 the tax imposed by this subtitle for the taxable year an
7 amount equal to the lesser of—

8 “(1) \$500 (\$1,000 in the case of eligible indi-
9 viduals filing a joint return), or

10 “(2) the earned income (as defined in section
11 32(c)(2)) of the taxpayer for the taxable year.

12 “(b) LIMITATION BASED ON MODIFIED ADJUSTED
13 GROSS INCOME.—The amount of the credit allowed by
14 subsection (a) (determined without regard to this sub-
15 section) for any taxable year shall be reduced (but not
16 below zero) by 2.5 percent of so much of the taxpayer’s
17 modified adjusted gross income (as defined in section
18 24(b)(1)) as exceeds \$50,000 (\$100,000 in the case of a
19 joint return).

20 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
21 section, the term ‘eligible individual’ has the same mean-
22 ing given such term under section 6428(d).

23 “(d) TREATMENT OF POSSESSIONS.—Rules similar
24 to the rules of subsection (c) of section 2201 of the

1 CARES Act (Public Law 116–136) shall apply for pur-
2 poses of this section.”.

3 (b) CLERICAL AMENDMENTS.—

4 (1) Section 6211(b)(4)(A) of the Internal Rev-
5 enue Code of 1986 is amended by inserting “36A,”
6 after “36,”.

7 (2) The table of sections for subpart C of part
8 IV of subchapter A of chapter 1 of such Code is
9 amended by inserting after the item relating to sec-
10 tion 36 the following new item:

“Sec. 36A. Middle Class Tax Credit.”.

11 (c) EFFECTIVE DATE.—The amendments made by
12 this section shall apply to taxable years beginning after
13 December 31, 2019.

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