To provide for a temporary safe harbor for certain failures by individuals to pay estimated income tax.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 3, 2021

Ms. CHU introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for a temporary safe harbor for certain failures by individuals to pay estimated income tax.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Taxpayer Penalty Protection Act of 2021”.

SEC. 2. TEMPORARY SAFE HARBOR FOR FAILURE BY INDIVIDUALS TO PAY ESTIMATED INCOME TAX.

In the case of any taxable year beginning in 2020—
(1) IN GENERAL.—Section 6654(d)(1)(B) of the Internal Revenue Code of 1986 shall be applied—

(A) by substituting “70 percent” for “90 percent” each place such term appears in clause (i) of such section, and

(B) by substituting “70 percent” for “100 percent” in clause (ii) of such section.

(2) INDIVIDUALS WITH ADJUSTED GROSS INCOME IN EXCESS OF $150,000.—Section 6654(d)(1)(C)(i) of such Code shall be applied by substituting “90 percent” for “110 percent” (and without regard to the substitution made by paragraph (1)(B) of this section).

(3) FARMERS AND FISHERMEN.—Section 6654(i) of such Code shall be applied without regard to the substitutions made by this section.