

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—

9 (i) is identified as essential critical in-
10 frastructure workforce pursuant to the
11 guidance issued on March 19, 2020, by
12 Cybersecurity and Infrastructure Security
13 Agency of the Department of Homeland
14 Security (including any revisions to such
15 guidance made after such date),

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, or

21 (iii) performs educational work, school
22 nutrition work, and other work required to
23 operate a school facility, including early
24 childhood programs, preschool programs,

1 elementary and secondary education, and
2 higher education.

3 (2) COVID–19 EMERGENCY PERIOD.—The
4 term “COVID–19 emergency period” means the pe-
5 riod—

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

7 (B) ending on the earlier of—

8 (i) the last day of the first month in
9 which the emergency involving Federal pri-
10 mary responsibility determined to exist by
11 the President under section 501(b) of the
12 Robert T. Stafford Disaster Relief and
13 Emergency Assistance Act (42 U.S.C.
14 5191(b)) with respect to the Coronavirus
15 Disease 2019 (COVID–19) is no longer in
16 effect, or

17 (ii) December 31, 2020.

18 (3) OTHER TERMS.—Any term used in this Act
19 which is used in chapter 2 of the Internal Revenue
20 Code of 1986 shall have the meaning given such
21 term under such chapter.

1 **SEC. 3. EXCLUSION FROM GROSS INCOME FOR CERTAIN**
2 **COMPENSATION OF FRONT-LINE EMPLOYEES**
3 **FOR ESSENTIAL INDUSTRIES DURING THE**
4 **COVID-19 NATIONAL EMERGENCY.**

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

10 (b) **LIMITATION.**—The amount of wages excluded
11 from gross income under subsection (a) for any month
12 shall not exceed \$8,803.50 for any month during any part
13 of which such COVID-19 front-line employee earned in-
14 come as an essential critical infrastructure employee.

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

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

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

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

11 (b) LIMITATION.—

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

16 (2) GUIDANCE.—The Secretary shall prescribed
17 regulations or other guidance for purposes of deter-
18 mining the amount of expected annual wages for
19 nonsalaried employees, including for situations in
20 which an employee expects annual wages in excess of
21 the amount described in paragraph (1) from more
22 than 1 employer.

23 (c) EMPLOYER NOTIFICATION.—The Secretary of the
24 Treasury shall notify employers of the payroll tax suspen-
25 sion period in any manner the Secretary deems appro-
26 priate.

1 (d) TRANSFERS OF FUNDS.—

2 (1) TRANSFERS TO FEDERAL OLD-AGE AND
3 SURVIVORS INSURANCE TRUST FUND.—There are
4 hereby appropriated to the Federal Old Age and
5 Survivors Trust Fund and the Federal Disability In-
6 surance Trust Fund established under section 201
7 of the Social Security Act (42 U.S.C. 401) amounts
8 equal to the reduction in revenues to the Treasury
9 by reason of the application of section 4. Amounts
10 appropriated by the preceding sentence shall be
11 transferred from the general fund at such times and
12 in such manner as to replicate to the extent possible
13 the transfers which would have occurred to such
14 Trust Fund had such amendments not been enacted.

15 (2) TRANSFERS TO SOCIAL SECURITY EQUIVA-
16 LENT BENEFIT ACCOUNT.—There are hereby appro-
17 priated to the Social Security Equivalent Benefit Ac-
18 count established under section 15A(a) of the Rail-
19 road Retirement Act of 1974 (45 U.S.C. 231n–1(a))
20 amounts equal to the reduction in revenues to the
21 Treasury by reason of the application of section 4.
22 Amounts appropriated by the preceding sentence
23 shall be transferred from the general fund at such
24 times and in such manner as to replicate to the ex-
25 tent possible the transfers which would have oc-

1 curred to such account had such amendments not
2 been enacted.

3 (e) COORDINATION WITH OTHER FEDERAL LAWS.—

4 For purposes of applying any provision of Federal law
5 other than the provisions of the Internal Revenue Code
6 of 1986, the rate of tax in effect under section 3101(a)
7 of such Code shall be determined without regard to the
8 reduction in such rate under this section.