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,
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4 SECTION 1. SHORT TITLE.
5 This Act may be cited as the “Financial Relief Not-
6 ing The Large Impact Of Our Nation’s Essential Employ-
7 ees (FRNT LINE) Act”.
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9 SEC. 2. DEFINITIONS.
10 For purposes of this Act:
(1) COVID–19 FRONT-LINE EMPLOYEE.—The term “COVID–19 front-line employee” means an employee—

(A) whose principal place of employment during the COVID–19 emergency period is on the employer’s premises or at a prescribed work place that is not home of the employee, and

(B) who—

(i) is identified as essential critical infrastructure workforce pursuant to the guidance issued on March 19, 2020, by Cybersecurity and Infrastructure Security Agency of the Department of Homeland Security (including any revisions to such guidance made after such date),

(ii) performs restaurant and foodservice work, including carryout, drive-thru, or food delivery work, requiring physical interaction with individuals or food products, or

(iii) performs educational work, school nutrition work, and other work required to operate a school facility, including early childhood programs, preschool programs,
elementary and secondary education, and
higher education.

(2) COVID–19 emergency period.—The term “COVID–19 emergency period” means the period—

(A) beginning on April 1, 2020, and

(B) ending on the earlier of—

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Relief and Emergency Assistance Act (42 U.S.C. 5191(b)) with respect to the Coronavirus Disease 2019 (COVID–19) is no longer in effect, or


(3) Other terms.—Any term used in this Act which is used in chapter 2 of the Internal Revenue Code of 1986 shall have the meaning given such term under such chapter.
SEC. 3. EXCLUSION FROM GROSS INCOME FOR CERTAIN 
COMPENSATION OF FRONT-LINE EMPLOYEES FOR ESSENTIAL INDUSTRIES DURING THE COVID–19 NATIONAL EMERGENCY.

(a) In General.—For purposes of the Internal Revenue Code of 1986, gross income shall not include any wages received during the COVID-19 emergency period by an individual who is a COVID-19 front-line employee for employment as a COVID–19 front-line employee.

(b) Limitation.—The amount of wages excluded from gross income under subsection (a) for any month shall not exceed $8,803.50 for any month during any part of which such COVID–19 front-line employee earned income as an essential critical infrastructure employee.

(c) Special Rule for Child Tax Credit and Earned Income Credit.—For purposes of sections 24 and 32 of the Internal Revenue Code of 1986, an taxpayer may elect to treat amounts excluded from gross income by reason of subsection (a) as earned income.

(d) Reporting.—Any employer that makes a payment described in subsection (a) during a calendar year shall include the amount of such payment as a separately stated item on any written statement required under section 6051 of the Internal Revenue Code of 1986.
SEC. 4. TEMPORARY SUSPENSION OF PAYROLL TAXES.

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

(b) LIMITATION.—

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

(2) GUIDANCE.—The Secretary shall prescribed regulations or other guidance for purposes of determining the amount of expected annual wages for nonsalaried employees, including for situations in which an employee expects annual wages in excess of the amount described in paragraph (1) from more than 1 employer.

(c) EMPLOYER NOTIFICATION.—The Secretary of the Treasury shall notify employers of the payroll tax suspension period in any manner the Secretary deems appropriate.
(d) Transfers of Funds.—

(1) Transfers to Federal Old-Age and Survivors Insurance Trust Fund.—There are hereby appropriated to the Federal Old Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the application of section 4. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.

(2) Transfers to Social Security Equivalent Benefit Account.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the application of section 4. Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred.
curred to such account had such amendments not been enacted.

(c) COORDINATION WITH OTHER FEDERAL LAWS.—

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