

117TH CONGRESS
1ST SESSION

H. R. 4895

To direct the Secretary of Treasury to establish a Federal office to oversee local guaranteed income pilots and to implement a national guaranteed income program, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 2021

Ms. OMAR (for herself, Ms. BUSH, Mr. EVANS, Mr. BOWMAN, and Ms. JAYAPAL) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To direct the Secretary of Treasury to establish a Federal office to oversee local guaranteed income pilots and to implement a national guaranteed income program, 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 “Sending Unconditional
5 Payments to People Overcoming Resistances to Triumph
6 Act of 2021” or the “SUPPORT Act of 2021”.

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for this Act is as follows:

Sec. 1. Short title.
 Sec. 2. Table of contents.
 Sec. 3. Secretary defined.

TITLE I—GUARANTEED INCOME PROGRAMS

Sec. 101. Definitions.
 Sec. 102. Office of Guaranteed Income Programs.
 Sec. 103. Guaranteed income pilot program.

TITLE II—GUARANTEED INCOME TAX CREDIT

Sec. 201. Establishment of the guaranteed income tax credit.

TITLE III—FEDACCOUNTS

Sec. 301. Creation and integration of FedAccounts.

3 **SEC. 3. SECRETARY DEFINED.**

4 In this Act, the term “Secretary” means the Sec-
 5 retary of Treasury (or the Secretary’s delegate).

6 **TITLE I—GUARANTEED INCOME**
 7 **PROGRAMS**

8 **SEC. 101. DEFINITIONS.**

9 In this title:

10 (1) COMMUNITY DEVELOPMENT FINANCIAL IN-
 11 STITUTION.—The term “community development fi-
 12 nancial institution” has the meaning given such
 13 term in section 103 of the Community Development
 14 Banking and Financial Institutions Act of 1994 (12
 15 U.S.C. 4702).

16 (2) DIRECTOR.—The term “Director” means
 17 the Director of the Office of Guaranteed Income
 18 Programs established under section 102.

1 (3) UNIT OF GENERAL LOCAL GOVERNMENT.—

2 The term “unit of general local government” has the
3 meaning given such term in section 102 of the
4 Housing and Community Development Act of 1974
5 (42 U.S.C. 5302).

6 **SEC. 102. OFFICE OF GUARANTEED INCOME PROGRAMS.**

7 (a) ESTABLISHMENT.—There is established an Office
8 of Guaranteed Income Programs (in this section referred
9 to as the “Office”).

10 (b) DIRECTOR.—The Office shall be headed by a Di-
11 rector, who shall be appointed by the Secretary.

12 (c) DUTIES.—The Director shall assist the Secretary
13 in—

14 (1) carrying out the pilot program established
15 in section 103; and

16 (2) implementing the Federal tax credit estab-
17 lished in title II.

18 (d) PARTNERSHIPS WITH OTHER FEDERAL AGEN-
19 CIES.—

20 (1) IN GENERAL.—The Secretary may consult
21 with Federal agencies to—

22 (A) establish the organizational structure
23 and functionality of the Office; and

24 (B) meet the purposes of this Act.

1 (2) SPECIFIC DUTIES OF OTHER FEDERAL
2 AGENCIES.—

3 (A) DEPARTMENT OF HOUSING AND
4 URBAN DEVELOPMENT.—In order to assist the
5 Secretary the Secretary of Housing and Urban
6 Development shall provide administrative exper-
7 tise with respect to grantmaking to units of
8 general local government through the commu-
9 nity development block grant program under
10 title I of the Housing and Community Develop-
11 ment Act of 1974 (42 U.S.C. 5301 et seq.).

12 (B) DEPARTMENT OF HEALTH AND
13 HUMAN SERVICES.—The Secretary of Health
14 and Human Services shall provide to the Sec-
15 retary and the Director research consulting
16 from the Office of Planning, Research, and
17 Evaluation and such Office's experience with
18 the Temporary Assistance for Needy Families
19 Program.

20 (C) INTERNAL REVENUE SERVICE.—The
21 Commissioner of Internal Revenue shall provide
22 to the Secretary access to tax records to admin-
23 ister and analyze the program under section
24 103 and to update the Secretary on changes to

1 the taxable income of an individual under this
2 title and title II.

3 (D) SOCIAL SECURITY ADMINISTRATION.—

4 The Commissioner of Social Security shall pro-
5 vide to the Secretary access to identifying
6 records and addresses to identify individuals
7 under this title and title II receiving supple-
8 mental security income benefits or social secu-
9 rity disability insurance benefits.

10 (e) DATA SHARING.—As determined necessary, the
11 Secretary may work with other relevant Federal agencies
12 for the purposes of sharing and updating personal identi-
13 fication information and consolidating a database of indi-
14 viduals who may receive cash payments under this title
15 and title II.

16 (f) NATIONAL ECONOMIC ADVISORY COUNCIL.—

17 (1) ESTABLISHMENT.—The Director shall es-
18 tablish within the Office a National Economic Advi-
19 sory Council to make recommendations with respect
20 to improving performance and coordination of basic
21 income pilot programs.

22 (2) MEMBERSHIP.—The National Economic
23 Advisory Council shall be composed of 10 members
24 as follows:

25 (A) The Director.

(B) The following members appointed by the Director:

(i) One representative from a national nonprofit civil rights organization.

(ii) One representative from a national labor organization.

(iii) One representative from an economic research organization with expertise in cash-transfer programs.

(iv) One representative from a community advocacy organization with expertise in cash-transfer programs.

(v) One representative from a community development financial institution.

(vi) Two individuals eligible for cash payments under this title or title II.

(C) Two members appointed by the Secretary.

(3) RECOMMENDATIONS.—The Council shall submit to the Secretary and Congress annual recommendations relating to the policies and regulations of the Office.

SEC. 103. GUARANTEED INCOME PILOT PROGRAM.

(a) IN GENERAL.—The Secretary shall implement a 5-year guaranteed income pilot program (in this section

1 referred to as the “Program”) to provide grants to eligible
2 entities to assist in carrying out a qualifying pilot pro-
3 gram.

4 (b) QUALIFYING PILOT PROGRAM DEFINED.—In this
5 section, the term “qualifying pilot program” means a new
6 or ongoing local basic income pilot program that provides
7 to eligible individuals cash payments that are—

8 (1) not less than \$50 per such individual per
9 payment; and

10 (2) made on a bi-weekly, monthly, or quarterly
11 basis.

12 (c) APPLICATION.—A grant under this section may
13 be made only to an eligible entity that submits to the Sec-
14 retary an application containing such information as the
15 Secretary may require, including—

16 (1) a description of a qualifying pilot program
17 to be carried out using grant amounts; and

18 (2) an explanation of the need for such pro-
19 gram.

20 (d) SELECTION.—

21 (1) IN GENERAL.—The Secretary, in consulta-
22 tion with the Director, shall select not less than 500
23 eligible entities to participate in the Program based
24 on criteria that the Secretary shall establish.

1 (2) PRIORITY.—The Secretary, in approving ap-
2 plications under this section, shall give priority to
3 applications submitted by—

4 (A) units of general local government that
5 have never established or do not have an exist-
6 ing program to provide a basic minimum in-
7 come for individuals;

8 (B) units of general local government that
9 will carry out a qualifying pilot program in low-
10 income geographic areas or persistent poverty
11 counties;

12 (C) community development financial insti-
13 tutions that are minority-owned; and

14 (D) community development financial insti-
15 tutions that serve or are based in low-income
16 geographic areas or persistent poverty counties.

17 (e) LOCAL EVALUATIONS.—Eligible entities may use
18 grant amounts to cover the costs of evaluations, similar
19 to the requirements in subsection (g), through working
20 with partners, such as for-profit, nonprofit, public, or
21 quasi-governmental entities, to design, text, and report on
22 their income pilots.

23 (f) DISREGARD OF CASH PAYMENTS FOR PURPOSES
24 OF ALL FEDERAL AND FEDERALLY ASSISTED PRO-
25 GRAMS.—Notwithstanding any other provision of law, any

1 payment made to a participating individual under this sec-
2 tion shall not be taken into account as income or resources
3 for the period of 12 months from receipt, for purposes of
4 determining the eligibility of such individual for benefits
5 or assistance (or the amount or extent of benefits or as-
6 sistance) under any Federal program or any State or local
7 program financed in whole or in part with Federal funds.

8 (g) EXTERNAL PARTNERS.—

9 (1) SELECTION.—The Secretary, in consulta-
10 tion with the Director, shall select no more than
11 three external partners to provide assistance with
12 the design, administration, and evaluation of the
13 Program.

14 (2) QUALIFICATIONS.—An organization selected
15 to be an external partner shall—

16 (A) have demonstrated experience in—

17 (i) studying or implementing cash-
18 transfer programs;

19 (ii) executing a mixed-methods study
20 that incorporates an experiment or quasi-
21 experiment design; and

22 (iii) holding highly ethical research de-
23 signs with a consistent track record of ap-
24 proval from institutional review boards;
25 and

1 (B) have no campaign activity as a re-
2 search organization described under section
3 501(c)(3) of the Internal Revenue Code of
4 1986.

5 (3) CONFIDENTIALITY.—An external partner,
6 and any employee of an external partner, shall be
7 treated as a Federal employee for purposes of sec-
8 tion 6103 of the Internal Revenue Code of 1986.

9 (4) DATA COLLECTION.—An external partner
10 shall work with the Director to collect and record
11 data from eligible entities and participating individ-
12 uals, as necessary, to complete the study and reports
13 required under subsection (g), and to conduct any
14 additional research as the Secretary determines nec-
15 essary.

16 (h) REPORTING.—

17 (1) TASK FORCE.—The Secretary, in consulta-
18 tion with the Director and external partners, may
19 establish a task force to study the results of the
20 qualifying pilot programs funded with grants under
21 the Program.

22 (2) INFORMATION GATHERING.—An eligible en-
23 tity providing cash payments to an eligible individual
24 through a qualifying pilot program, funded through
25 the Program, shall collect, maintain a record of, and

1 promptly submit such record to the task force the
2 following information:

3 (A) If the eligible entity is a community
4 development financial institution, whether the
5 entity itself is a minority-owned, women-owned,
6 or veteran-owned entity.

7 (B) Demographic information of partici-
8 pating individuals, including race and ethnicity,
9 gender, disability status, housing status, family
10 composition, and income level.

11 (3) EVALUATION.—Of the amounts made avail-
12 able to carry out this section, the Secretary, acting
13 through the Director, may use such amounts as may
14 be necessary to evaluate the effectiveness of quali-
15 fying pilot programs funded through the Program,
16 using a methodology that—

17 (A) includes a random assignment when-
18 ever feasible, or other research methods that
19 allow for the strongest possible casual infer-
20 ences when a random assignment is not fea-
21 sible; and

22 (B) generates evidence on the impact of
23 specific qualifying pilot programs and protocols.

24 (4) INTERIM REPORT.—Not later than 24
25 months after cash payments are initially made to

1 participating individuals, the Secretary, in consulta-
2 tion with the Director and external partners, shall
3 issue an interim report on the Program to Congress,
4 including the following information:

5 (A) For each qualifying pilot program, the
6 total number of participating individuals disag-
7 gregated by race and ethnicity, gender, dis-
8 ability status, housing status, family composi-
9 tion, and income and assets (including income
10 level as a percentage of the Federal poverty
11 line).

12 (B) With respect to each participating in-
13 dividual, to the extent applicable—

14 (i) such individual's employment type
15 and job status;

16 (ii) the total amount of cash payments
17 received by such individual; and

18 (iii) such individual's zip code.

19 (C) Any other information that the Sec-
20 retary determines to be necessary.

21 (5) FINAL REPORT.—Not later than 12 months
22 after the conclusion of the Program, the Secretary,
23 in consultation with the Director and the external
24 partners, shall issue a final report on the Program
25 to Congress, which shall include updated disclosures

1 and calculations of the information provided in the
2 interim report under paragraph (4), and a final as-
3 sessment comprised of—

4 (A) a quantitative and qualitative analysis
5 of the effects of the income subsidies provided
6 under the qualifying pilot programs on—

7 (i) financial outcomes of participating
8 individuals;

9 (ii) the health and economic well-being
10 of participating individuals; and

11 (iii) the social costs of poverty and in-
12 come volatility, including connections with
13 income fluctuation and health, education,
14 employment, childcare, and other outcomes
15 as determined appropriate by the Sec-
16 retary; and

17 (B) recommendations by the Secretary on
18 the efficacy and operational pathways of ex-
19 panding local basic income subsidies into a Fed-
20 eral guaranteed income program.

21 (6) PUBLIC AVAILABILITY.—

22 (A) IN GENERAL.—As soon as is prac-
23 ticable after issuing each report under para-
24 graphs (4) and (5), the Secretary shall make all

1 the information contained in each such report
2 publicly available.

3 (B) CONFIDENTIALITY.—In making infor-
4 mation publicly available under subparagraph
5 (A), the Secretary shall withhold confidential
6 information.

7 (i) RULES AND GUIDANCE.—The Secretary, in con-
8 sultation with the Director, shall issue any rules and guid-
9 ance that are necessary to carry out this section, including
10 establishing appropriate compliance and reporting require-
11 ments in addition to the reporting requirements under
12 subsection (g).

13 (j) DEFINITIONS.—In this section:

14 (1) ELIGIBLE ENTITY.—The term “eligible enti-
15 ty” means a unit of general local government or a
16 community development financial institution.

17 (2) ELIGIBLE INDIVIDUAL.—The term “eligible
18 individual” means a resident of the United States.

19 (3) FEDERAL POVERTY LINE.—The term “Fed-
20 eral poverty line” has the meaning given the term
21 “poverty line” in section 673 of the Omnibus Budg-
22 et Reconciliation Act of 1981 (42 U.S.C. 9902).

23 (4) LOW-INCOME GEOGRAPHIC AREA.—The
24 term “low-income geographic area” has the meaning

1 given such term in section 351 of the Small Busi-
2 ness Investment Act of 1958 (15 U.S.C. 689).

3 (5) MINORITY-OWNED.—With respect to a com-
4 munity development financial institution, the term
5 “minority-owned” means a community development
6 financial institution with—

7 (A) more than 50 percent of the ownership
8 or control held by not less than one minority;
9 and

10 (B) more than 50 percent of the net profit
11 or loss of which accrues to not less than one
12 minority.

13 (6) MINORITY.—The term “minority” has the
14 meaning given such term in section 1204(c) of the
15 Financial Institutions Reform, Recovery, and En-
16 forcement Act of 1989 (12 U.S.C. 1811 note).

17 (7) PARTICIPATING INDIVIDUAL.—The term
18 “participating individual” means an eligible indi-
19 vidual that has received cash payments under a
20 qualifying pilot program funded through a grant
21 from the Program.

22 (8) PERSISTENT POVERTY COUNTY.—The term
23 “persistent poverty county” means any county that
24 has had 20 percent or more of its population living
25 in poverty over the past 30 years, as measured by

1 the most recent decennial census and the most re-
 2 cent Small Area Income and Poverty Estimates of
 3 the Bureau of the Census, as of the date of the en-
 4 actment of this Act.

5 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
 6 authorized to be appropriated to carry out this section
 7 \$500,000,000 for each of the fiscal years 2023 through
 8 2027.

9 **TITLE II—GUARANTEED INCOME** 10 **TAX CREDIT**

11 **SEC. 201. ESTABLISHMENT OF THE GUARANTEED INCOME** 12 **TAX CREDIT.**

13 (a) IN GENERAL.—Subpart C of part IV of sub-
 14 chapter A of chapter 1 of the Internal Revenue Code of
 15 1986 is amended by inserting after section 37 the fol-
 16 lowing new section:

17 **“SEC. 37A. GUARANTEED INCOME TAX CREDIT.**

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

22 “(1) \$14,400, plus

23 “(2) \$600 multiplied by the number of depend-
 24 ents (as defined in section 152) under the age of 18
 25 of the taxpayer.

1 “(b) LIMITATION BASED ON ADJUSTED GROSS IN-
 2 COME.—The amount of the credit allowable under sub-
 3 section (a) shall be reduced (but not below zero) by five
 4 percent of so much of the taxpayer’s adjusted gross in-
 5 come as exceeds—

6 “(1) \$150,000 in the case of a joint return or
 7 a surviving spouse (as defined in section 2(a)),

8 “(2) \$112,500 in the case of a head of house-
 9 hold, and

10 “(3) \$75,000 in the case of a taxpayer not de-
 11 scribed in paragraph (1) or (2).

12 “(c) INFLATION ADJUSTMENTS.—

13 “(1) IN GENERAL.—In the case of any taxable
 14 year beginning after 2028, each of the dollar
 15 amounts under subsections (a) and (b) shall be in-
 16 creased by an amount equal to—

17 “(A) such dollar amount, multiplied by

18 “(B) the cost-of-living adjustment deter-
 19 mined under section 1(f)(3) for the calendar
 20 year in which the taxable year begins, deter-
 21 mined by substituting ‘calendar year 2027’ for
 22 ‘calendar year 2016’ in subparagraph (A)(ii)
 23 thereof.

24 “(2) ROUNDING.—If any increase determined
 25 under paragraph (1) is not a multiple of \$50, such

1 increase shall be rounded to the nearest multiple of
2 \$50.

3 “(d) ELIGIBLE INDIVIDUAL.—For purposes of this
4 section—

5 “(1) IN GENERAL.—The term ‘eligible indi-
6 vidual’ means an individual—

7 “(A) who attained 18 years of age before
8 the close of the taxable year,

9 “(B) whose principal place of abode was in
10 the United States for more than one-half of the
11 taxable year,

12 “(C) who is not a dependent for whom a
13 deduction is allowable under section 151 to an-
14 other taxpayer for any taxable year beginning
15 in the same calendar year as such taxable year,
16 and

17 “(D) who did not claim the benefits of sec-
18 tion 911 for the preceding taxable year.

19 “(2) LIMITATION ON ELIGIBILITY OF NON-
20 RESIDENT ALIENS.—The term ‘eligible individual’
21 shall not include any individual who is a nonresident
22 alien individual for any portion of the preceding tax-
23 able year, unless such individual is treated for such
24 taxable year as a resident of the United States for

1 purposes of this chapter by reason of an election
2 under subsection (g) or (h) of section 6013.

3 “(3) IDENTIFICATION NUMBER REQUIRE-
4 MENT.—No credit shall be allowed under this section
5 to an eligible individual who does not include on the
6 return of tax for the taxable year—

7 “(A) such individual’s taxpayer identifica-
8 tion number,

9 “(B) if the individual was married during
10 the preceding taxable year (within the meaning
11 of section 7703), the taxpayer identification
12 number of such individual’s spouse, and

13 “(C) taxpayer identification number of
14 such individual’s dependents.

15 “(4) TREATMENT OF MILITARY PERSONNEL
16 STATIONED OUTSIDE OF THE UNITED STATES.—For
17 purposes of paragraph (1)(B), the principal place of
18 abode of a member of the Armed Forces of the
19 United States shall be treated as in the United
20 States during any period during which such member
21 is stationed outside the United States while serving
22 on extended active duty with the Armed Forces of
23 the United States. For purposes of the preceding
24 sentence, the term ‘extended active duty’ means any
25 period of active duty pursuant to a call or order to

1 such duty for a period in excess of 90 days or for
2 an indefinite period.

3 “(e) TAXABLE YEAR MUST BE FULL TAXABLE
4 YEAR.—Except in the case of a taxable year closed by rea-
5 son of the death of the taxpayer, no credit shall be allow-
6 able under this section in the case of a taxable year cov-
7 ering a period of less than 12 months.

8 “(f) RESTRICTIONS ON TAXPAYER WHO IMPROPERLY
9 CLAIMED CREDIT IN PRIOR YEAR.—Rules similar to sub-
10 section (k) of section 32 shall apply for purposes of this
11 section.

12 “(g) RECONCILIATION OF CREDIT AND ADVANCE
13 PAYMENTS.—The amount of the credit allowed under this
14 section for any taxable year shall be reduced (but not
15 below zero) by the aggregate amount of any advance pay-
16 ments of such credit under section 7527B for such taxable
17 year.”.

18 (b) ADVANCE PAYMENT OF GUARANTEED INCOME
19 TAX CREDIT.—Chapter 77 of the Internal Revenue Code
20 of 1986 is amended by inserting after section 7527A the
21 following new section:

22 **“SEC. 7527B. ADVANCE PAYMENT OF GUARANTEED INCOME**
23 **TAX CREDIT.**

24 “(a) IN GENERAL.—The Secretary shall establish a
25 program for making advance payments to eligible tax-

1 payers which equal, in the aggregate during any calendar
2 year, the annual advance amount determined with respect
3 to such taxpayer for such calendar year. The advance pay-
4 ments made to such taxpayer for any calendar year shall
5 be in equal amounts.

6 “(b) ELIGIBLE TAXPAYER.—The term ‘eligible tax-
7 payer’ has the meaning given ‘eligible individual’ in section
8 37A and such taxpayer has made an election under sub-
9 section (d).

10 “(c) ANNUAL ADVANCE AMOUNT.—For the purposes
11 of this section, the term ‘annual advance amount’ means,
12 with respect to an eligible taxpayer for any calendar year,
13 an amount equal to the amount of credit which the Sec-
14 retary has determined will be allowed to such taxpayer
15 under section 37A for the taxpayer’s taxable year begin-
16 ning in such calendar year.

17 “(d) ELECTION OF ADVANCE PAYMENT.—

18 “(1) IN GENERAL.—A taxpayer may elect to re-
19 ceive an advance payment of the credit allowed
20 under section 37A for any taxable year—

21 “(A) by including such election on a timely
22 filed return for the preceding taxable year, or

23 “(B) through the online portal established
24 in paragraph (2).

1 “(2) ONLINE PORTAL.—The Secretary shall es-
2 tablish an online portal which allows non-filing tax-
3 payers to—

4 “(A) elect to receive payments under this
5 section, and

6 “(B) provide any information the Secretary
7 determines necessary.

8 “(e) INTERNAL REVENUE SERVICE NOTIFICATION.—
9 The Internal Revenue Service shall take such steps as may
10 be appropriate to ensure that taxpayers who are eligible
11 to receive the credit under section 37A are aware of the
12 availability of the advance payment of such credit under
13 this section.

14 “(f) AUTHORITY.—The Secretary may prescribe such
15 regulations or other guidance as may be appropriate or
16 necessary for the purposes of carrying out this section.”.

17 (c) OTHER RULES.—

18 (1) TIMING AND MANNER OF PAYMENTS.—

19 (A) TIMING.—The Secretary shall, subject
20 to the provisions of this title, refund or credit
21 any overpayment attributable to this section as
22 rapidly as possible.

23 (B) ALTERNATE INFORMATION.—For pur-
24 poses of disbursing refunds payable under this
25 section, if an individual eligible to receive a

1 credit under section 37A (as added by sub-
2 section (a)) has not, as of any applicable date,
3 filed a tax return for the applicable taxable
4 year, the Secretary shall—

5 (i) use return information with re-
6 spect to such individual for the taxable
7 year preceding such applicable taxable
8 year; or

9 (ii) in the case of an individual who
10 has not filed a tax return for the applicable
11 year or the taxable year described in clause
12 (i), use any applicable information pro-
13 vided by relevant agencies.

14 (C) COORDINATION AND NOTIFICATION.—

15 For purposes of subparagraph (B)(i), the Sec-
16 retary shall—

17 (i) coordinate with the heads of rel-
18 evant Federal agencies to receive applica-
19 ble information with respect to any individ-
20 uals who may be eligible to receive a re-
21 fund payment pursuant to this section; and

22 (ii) establish an online portal that in-
23 dividuals described in paragraph (B) may
24 use to report any information required, as
25 determined by the Secretary, to determine

1 the amount of any refund payments for
2 which such individuals may be eligible, in-
3 cluding methods specifically designed to
4 identify and account for foster youth and
5 individuals experiencing homelessness or
6 housing insecurity.

7 (D) DELIVERY OF PAYMENTS.—Notwith-
8 standing any other provision of law, the Sec-
9 retary may certify and disburse refunds imme-
10 diately payable under this subsection—

11 (i) electronically to any account to
12 which the payee authorized the delivery of
13 a refund of taxes under this title or of a
14 Federal payment (as defined in section
15 3332 of title 31, United States Code); or

16 (ii) through such other means as are
17 determined appropriate by the Secretary
18 including through the use of mailed paper
19 checks, stored value cards, and online pay-
20 ment systems including FedAccounts as es-
21 tablished under section 301.

22 (E) WAIVER OF CERTAIN RULES.—Not-
23 withstanding section 3325 of title 31, United
24 States Code, or any other provision of law, with
25 respect to any payment of a refund under this

1 subsection, a disbursing official in the executive
2 branch of the United States Government may
3 modify payment information received from an
4 officer or employee described in section
5 3325(a)(1)(B) of such title for the purpose of
6 facilitating the accurate and efficient delivery of
7 such payment. Except in cases of fraud or reck-
8 less neglect, no liability under sections 3325,
9 3527, 3528, or 2529 of title 31, United States
10 Code, shall be imposed with respect to pay-
11 ments made under this subparagraph.

12 (2) NO INTEREST.—No interest shall be allowed
13 on any overpayment attributable to a payment
14 deemed made under this section.

15 (3) NOTICE TO TAXPAYER.—Not later than 15
16 days after the date on which the Secretary distrib-
17 uted any payment to a taxpayer pursuant to this
18 section, notice shall be sent by mail to such tax-
19 payer's last known address. Such notice shall indi-
20 cate the method by which such payment was made,
21 the amount of such payment, and a phone number
22 or website portal for the appropriate contact at the
23 Internal Revenue Service to report any failure to re-
24 ceive such payment.

1 (4) TREATMENT OF POSSESSIONS.—Rules simi-
 2 lar to the rules of subsection (c) of section 2201 of
 3 the CARES Act (Public Law 116–136) shall apply
 4 for the purposes of section 37A of such Code (as
 5 added by subsection (a)).

6 (5) EXCEPTION FROM REDUCTION OR OFF-
 7 SET.—Any credit or refund allowed or made to any
 8 individual by reason of section 37A of the Internal
 9 Revenue Code of 1986 (as added by subsection (a))
 10 or by reason of paragraph (1) of this subsection
 11 shall not be—

12 (A) subject to reduction or offset pursuant
 13 to section 3716 or 3720A of title 31, United
 14 States Code;

15 (B) subject to reduction or offset pursuant
 16 to subsection (c), (d), (e), or (f) of section 6402
 17 of the Internal Revenue Code of 1986; or

18 (C) reduced or offset by other assessed
 19 Federal taxes that would otherwise be subject
 20 to levy or collection.

21 (6) PROHIBITION ON GARNISHMENT.—

22 (A) DEFINITIONS.—In this paragraph, the
 23 terms “financial institution”, “freeze”, “gar-
 24 nish”, and “garnishment order” have the mean-
 25 ings given the terms in section 212.3 of title

1 31, Code of Federal Regulations, as in effect on
2 the date of enactment of this Act.

3 (B) PROHIBITION.—No financial institu-
4 tion may garnish or freeze any portion of a re-
5 fund made by any debtor by reason of section
6 37A of the Internal Revenue Code of 1986 (as
7 added by subsection (a)) or by reason of para-
8 graph (1) pursuant to a garnishment order.

9 (7) WAIVER OF FEES BY INSURED DEPOSITORY
10 INSTITUTIONS.—No insured depository institution,
11 as defined in section 3 of the Federal Deposit Insur-
12 ance Act (12 U.S.C. 1813), may impose a fee on a
13 person for cashing any check for a refund payable
14 under section 37A of the Internal Revenue Code of
15 1986 (as added by subsection (a)).

16 (8) PUBLIC AWARENESS CAMPAIGN.—Rules
17 similar to the rules of subsection (e) of section 2201
18 of the CARES Act shall apply for the purposes of
19 section 37A of such Code (as added by subsection
20 (a)).

21 (9) REGULATIONS.—The Secretary shall pre-
22 scribe such regulations or other guidance as may be
23 necessary to carry out the purposes of this section,
24 including any such measures are deemed appropriate
25 to avoid allowing duplicative payments to a taxpayer.

1 (d) CONFORMING AMENDMENTS.—

2 (1) Section 6211(b)(4)(A) of the Internal Rev-
 3 enue Code of 1986 is amended by inserting “37A,”
 4 after “36B,”.

5 (2) Section 6213(g)(2) of such Code is amend-
 6 ed—

7 (A) in subparagraph (F), by inserting “or
 8 section 37A” after “credit”;

9 (B) in subparagraph (G), by inserting “or
 10 37A” after “section 32”;

11 (C) by amending subparagraph (K) to read
 12 as follows:

13 “(K) an omission of information required
 14 by section 32(k)(2) or 36(e) or an entry on the
 15 return claiming—

16 “(i) the credit under section 32 for a
 17 taxable year for which the credit is dis-
 18 allowed under subsection (k)(1) thereof, or

19 “(ii) the credit under section 37A for
 20 a taxable year for which the credit is dis-
 21 allowed under subsection (d) thereof,”; and

22 (D) in subparagraph (L), by “37A,” after
 23 “32,”.

24 (3) The table of sections for subpart C of part
 25 IV of subchapter A of chapter 1 of such Code is

1 amended by inserting after the item relating to sec-
 2 tion 37 the following:

“Sec. 37A. Guaranteed income tax credit.”.

3 (4) The table of sections for chapter 77 of such
 4 Code is amended by inserting after the item relating
 5 to section 7527A the following:

“Sec. 7527B. Advance payment of guaranteed income tax credit.”.

6 (e) EFFECTIVE DATE.—The amendments made by
 7 this section shall apply to the taxable years beginning after
 8 January 1, 2027.

9 **TITLE III—FEDACCOUNTS**

10 **SEC. 301. CREATION AND INTEGRATION OF FEDACCOUNTS.**

11 (a) DEFINITIONS.—In this section:

12 (1) DIGITAL DOLLARS.—The term “digital dol-
 13 lars” means dollar balances consisting of digital
 14 ledger entries recorded as liabilities in the accounts
 15 of any Federal Reserve bank.

16 (2) FEDACCOUNT.—The term “FedAccount”
 17 means a personal, no-fee central bank account sup-
 18 ported by a Federal Reserve bank for any eligible in-
 19 dividuals or on behalf of any person for the purpose
 20 of holding digital dollar balances.

21 (3) MEMBER BANK.—The term “member bank”
 22 means any national bank, State bank, or bank or
 23 trust company that is a member of a Federal Re-
 24 serve bank.

1 (4) PASS-THROUGH FEDACCOUNT.—The term
 2 “pass-through FedAccount” means a FedAccount
 3 maintained by a member bank on behalf of any per-
 4 son, entitling that person to a pro rata share of a
 5 pooled reserve balance that the member bank main-
 6 tains at any Federal Reserve bank.

7 (5) POSTAL RETAIL FACILITY.—The term
 8 “postal retail facility”—

9 (A) means a post office, post office branch,
 10 post office classified station, or other facility
 11 that is operated by the Postal Service, the pri-
 12 mary function of which is to provide retail post-
 13 al services; and

14 (B) does not include a contractor-operated
 15 facility offering postal services.

16 (6) POSTAL SERVICE.—The term “Postal Serv-
 17 ice” means the United States Postal Service.

18 (b) AUTHORITY AND MANDATE FOR FEDERAL RE-
 19 SERVE BANKS TO ESTABLISH AND MAINTAIN
 20 FEDACCOUNTS FOR THE GENERAL PUBLIC.—

21 (1) AUTHORIZATION.—Subject to restrictions,
 22 limitations, and regulations that may be imposed by
 23 the Board of Governors of the Federal Reserve Sys-
 24 tem, a Federal Reserve bank shall maintain Fed-
 25 Accounts.

1 (2) MANDATE.—Not later than January 1,
2 2027, a Federal Reserve bank shall make available
3 FedAccounts to—

4 (A) residents of the United States; and

5 (B) businesses domiciled in the United
6 States.

7 (3) TERMS OF FEDACCOUNTS.—FedAccounts—

8 (A) shall not be subject to any account
9 fees, minimum balances, or maximum balances,
10 and shall pay interest at a rate not below the
11 greater of the rate of interest on required re-
12 serves and the rate of interest on excess re-
13 serves;

14 (B) shall provide debit cards, online ac-
15 count access, automatic bill-pay, mobile bank-
16 ing, customer service and other such services as
17 the Board of Governors of the Federal Reserve
18 System determines appropriate in the public in-
19 terest, provided that FedAccounts shall not in-
20 clude overdraft coverage;

21 (C) shall provide access to automatic teller
22 machines to be maintained on behalf of the
23 Board of Governors of the Postal Service at
24 postal retail facilities;

1 (D) shall be branded in all account state-
2 ments, marketing materials, and other commu-
3 nications as “FedAccounts” maintained by the
4 Federal Reserve bank on behalf of the United
5 States of America;

6 (E) may not be closed or restricted on the
7 basis of profitability considerations; and

8 (F) shall provide account holders with rea-
9 sonable protections against losses caused by
10 fraud or security breaches.

11 (4) BANK SECRECY ACT.—In establishing and
12 maintaining FedAccounts, each Federal Reserve
13 shall comply with—

14 (A) section 21 of the Federal Deposit In-
15 surance Act (12 U.S.C. 1829b);

16 (B) chapter 2 of title I of Public Law 91–
17 508 (12 U.S.C. 1951 et seq.); and

18 (C) subchapter II of chapter 53 of title 31,
19 United States Code.

20 (5) PRIVACY.—

21 (A) FEDACCOUNTS.—Section 552a of title
22 5, United States Code (commonly known as the
23 Privacy Act of 1974), shall apply to Fed-
24 Accounts.

1 (B) FEDERAL RESERVE BANKS.—The pri-
2 vacy obligations applicable to each Federal Re-
3 serve bank and its employees, including with re-
4 spect to criminal and civil penalties, shall mir-
5 ror those applicable to Federal tax returns
6 under sections 6103, 7213(a)(1), 7213A, and
7 7431 of the Internal Revenue Code of 1986.

8 (6) REGULATIONS.—The Board of Governors of
9 the Federal Reserve, in consultation with the Sec-
10 retary, shall promulgate regulations in order to
11 carry out this subsection.

12 (c) AUTHORITY AND MANDATE FOR MEMBER
13 BANKS, STATE NONMEMBER BANKS AND CREDIT
14 UNIONS TO OFFER AND MAINTAIN PASS-THROUGH
15 FEDACCOUNTS.—

16 (1) OBLIGATIONS OF MEMBER BANKS.—

17 (A) IN GENERAL.—Member banks shall
18 open and maintain pass-through FedAccounts
19 for all interested persons who elect to deposit
20 funds into pass-through FedAccounts, including
21 persons eligible to receive guaranteed income
22 tax credit payments from the United States
23 pursuant to section 301 of this Act.

24 (B) MAINTENANCE OF ASSETS.—

1 (i) IN GENERAL.—Each member bank
2 shall establish and maintain a separate
3 legal entity for the exclusive purpose of
4 holding all assets and maintaining all li-
5 abilities associated with pass-through Fed-
6 Accounts.

7 (ii) CONTENTS.—The assets of any
8 entity described in clause (i) shall consist
9 exclusively of a balance maintained in a
10 master account at a Federal Reserve bank,
11 and the liabilities or obligations of the enti-
12 ty shall consist exclusively of an equal
13 quantity of balances maintained by holders
14 of pass-through FedAccounts.

15 (iii) CAPITAL OR LIQUIDITY REGULA-
16 TION.—The assets and liabilities of any
17 legal entity described in clause (i) shall not
18 be deemed assets or liabilities of the mem-
19 ber bank or its affiliates for the purposes
20 of any capital or liquidity regulation pro-
21 mulgated by Federal or State banking au-
22 thorities.

23 (iv) ONLINE APPLICATION REQUIRE-
24 MENT FOR LARGE BANKS.—Member banks
25 with total consolidated assets greater than

1 \$10,000,000,000 shall promptly offer ap-
2 plication, through online or telephonic
3 means, for pass-through FedAccounts.

4 (2) TERMS OF PASS-THROUGH
5 FEDACCOUNTS.—Pass-through FedAccounts offered
6 by member banks—

7 (A) shall not be subject to any account
8 fees, minimum balances, or maximum balances,
9 and shall pay interest at a rate not below the
10 greater of the rate of interest on required re-
11 serves and the rate of interest on excess re-
12 serves;

13 (B) shall provide functionality and service
14 levels no less favorable than those that the
15 member bank offers for its existing transaction
16 accounts, including with respect to debit cards,
17 automated teller machines, online account ac-
18 cess, automatic bill pay, mobile banking, cus-
19 tomer service and such other services as the
20 Board of Governors of the Federal Reserve Sys-
21 tem determines appropriate in the public inter-
22 est, provided that FedAccounts shall not in-
23 clude overdraft coverage;

24 (C) shall be prominently branded in all ac-
25 count statements, marketing materials, and

1 other communications as “pass-through Fed-
2 Accounts” maintained by the member bank on
3 behalf of the Federal Reserve;

4 (D) may not be closed or restricted by the
5 bank on the basis of profitability considerations;
6 and

7 (E) shall provide account holders with rea-
8 sonable protection against losses caused by
9 fraud or security breaches.

10 (3) REIMBURSEMENT FOR COSTS AT MEMBER
11 BANKS.—

12 (A) IN GENERAL.—Each member bank
13 with total consolidated assets of not greater
14 than \$10,000,000,000 shall be reimbursed each
15 calendar quarter by the relevant Federal Re-
16 serve bank for the operational costs incurred by
17 the member bank in offering pass-through
18 FedAccounts.

19 (B) REGULATIONS.—The Board of Gov-
20 ernors of the Federal Reserve System shall pro-
21 mulgate such regulations as necessary to carry
22 out this subsection.

23 (4) OBLIGATIONS OF STATE NONMEMBER
24 BANKS AND CREDIT UNIONS.—

1 (A) IN GENERAL.—The Federal Reserve
2 banks shall permit State nonmember banks and
3 credit unions to open master accounts for the
4 exclusive purpose of offering pass-through
5 FedAccounts with the separate entity structure
6 described in paragraph (1), if the pass-through
7 FedAccount complies with the terms set forth
8 in paragraph (2).

9 (B) REIMBURSEMENT.—Each State non-
10 member bank or credit union electing to offer
11 pass-through FedAccounts shall be entitled to
12 cost reimbursement in accordance with para-
13 graph (3).

14 (5) AUTHORITY OF THE BOARD.—Member
15 banks shall be subject to such regulations and obli-
16 gations as may be imposed by the Board of Gov-
17 ernors of the Federal Reserve System in connection
18 with maintaining pass-through FedAccounts.

19 (d) LIMITED BRANCHES.—In areas where access to
20 physical member bank branches is limited, including in
21 low- or moderate-income geographies, designated disaster
22 areas, distressed or underserved non-metropolitan middle-
23 income geographies, as designated by the Federal Finan-
24 cial Institutions Examination Council, Federal Reserve
25 banks may partner with postal retail facilities to ensure

1 access and availability to application and account services
2 for all residents and citizens of the United States and to
3 businesses domiciled in the United States.

4 (e) COORDINATION OF FEDACCOUNTS AND POSTAL
5 BANKING.—The Board of Governors of the Federal Re-
6 serve System, after consultation with the Postmaster
7 General, shall work to improve public banking options to
8 all individuals, and specifically making sure that payments
9 from the guaranteed income tax credit are able to reach
10 the most people in a timely manner by expanding such
11 financial services to the unbanked and underbanked.

12 (f) ANNUAL REPORTING.—The Comptroller General
13 of the United States, in consultation with the Secretary,
14 shall submit to Congress an annual report that includes
15 the demographics, number of participants, and average
16 balances and uses for all the new products and services
17 established under this section.

