

117TH CONGRESS
1ST SESSION

H. R. 312

To provide a Federal income tax credit for State income taxes paid by individuals temporarily providing certain health or emergency services in the State, and to provide a corresponding reduction in Federal highway funds to the State.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 13, 2021

Mr. POSEY introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Transportation and Infrastructure, 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 provide a Federal income tax credit for State income taxes paid by individuals temporarily providing certain health or emergency services in the State, and to provide a corresponding reduction in Federal highway funds to the State.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. CREDIT FOR STATE INCOME TAXES PAID BY IN-**
 2 **DIVIDUALS TEMPORARILY PROVIDING CER-**
 3 **TAIN HEALTH OR EMERGENCY SERVICES.**

4 (a) IN GENERAL.—Subpart C of part IV of sub-
 5 chapter A of chapter 1 of the Internal Revenue Code of
 6 1986 (relating to refundable credits) is amended by insert-
 7 ing after section 36B the following new section:

8 **“SEC. 36C. CREDIT FOR STATE INCOME TAXES PAID BY IN-**
 9 **DIVIDUALS TEMPORARILY PROVIDING CER-**
 10 **TAIN HEALTH OR EMERGENCY SERVICES.**

11 “(a) IN GENERAL.—In the case of an eligible indi-
 12 vidual, there shall be allowed as a credit against the tax
 13 imposed by this subtitle for any taxable year an amount
 14 equal to the income taxes imposed by a service-recipient
 15 State on the wages (as defined in section 3401) paid to
 16 such eligible individual for providing specified health or
 17 emergency services in such State on a temporary basis
 18 during such taxable year.

19 “(b) ELIGIBLE INDIVIDUAL.—For purposes of this
 20 section, the term ‘eligible individual’ means any individual
 21 legally domiciled in a State who provides specified health
 22 or emergency services in another State on a temporary
 23 basis.

24 “(c) SPECIFIED HEALTH OR EMERGENCY SERV-
 25 ICES.—For purposes of this section, the term ‘specified
 26 health or emergency services’ means service as a first re-

1 sponder, doctor, nurse, or such other health or emergency
2 service as may be specified by the Secretary for purposes
3 of this section.

4 “(d) SERVICE-RECIPIENT STATE.—For purposes of
5 this section, the term ‘service-recipient State’ means the
6 State referred to in subsection (b) in which the eligible
7 individual provides specified health or emergency services
8 on a temporary basis.

9 “(e) DETERMINATION OF TAX.—The amount of the
10 income tax referred to in subsection (a) shall be equal to
11 the excess (if any) of—

12 “(1) the amount of income taxes imposed by
13 the service-recipient State on the income of such eli-
14 gible individual, over

15 “(2) the amount of such income taxes which
16 would be imposed without regard to the wages re-
17 ferred to in subsection (a).

18 “(f) TERMINATION.—Subsection (a) shall not apply
19 with respect to wages paid for services which are provided
20 after the date on which the Secretary certifies that the
21 COVID–19 emergency has concluded.”.

22 (b) CORRESPONDING REDUCTION IN FEDERAL
23 HIGHWAY FUNDS PAID TO SERVICE-RECIPIENT
24 STATES.—The amount made available by the Federal
25 Government as Federal highway funds to any service-re-

1 cipient State (as defined in section 36C(d) of the Internal
 2 Revenue Code of 1986) shall be reduced by the aggregate
 3 amount of credits (as estimated by the Secretary of the
 4 Treasury) allowed under section 36C of the Internal Rev-
 5 enue Code of 1986 with respect to income taxes imposed
 6 by such State.

7 (c) CONFORMING AMENDMENTS.—

8 (1) Section 6211(b)(4)(A) of such Code is
 9 amended by inserting “36C,” after “36B,”.

10 (2) Section 1324(b)(2) of title 31, United
 11 States Code, is amended by inserting “36C,” after
 12 “36B,”.

13 (3) The table of sections for subpart C of part
 14 IV of subchapter A of chapter 1 of the Internal Rev-
 15 enue Code of 1986 is amended by inserting after the
 16 item relating to section 36B the following new item:

“Sec. 36C. Credit for State income taxes paid by individuals temporarily pro-
 viding certain health or emergency services.”.

17 (d) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to wages paid for services provided
 19 after March 16, 2020.

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