

117TH CONGRESS
2D SESSION

H. R. 7929

To amend the Internal Revenue Code of 1986 to provide for additional recovery rebates to taxpayers.

IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2022

Mrs. CHERFILUS-McCORMICK introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for additional recovery rebates to taxpayers.

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. 2022 RECOVERY REBATES TO INDIVIDUALS.**

4 (a) IN GENERAL.—Subchapter B of chapter 65 of the
5 Internal Revenue Code of 1986 is amended by inserting
6 after section 6428B the following new section:

7 **“SEC. 6428C. 2022 RECOVERY REBATES TO INDIVIDUALS.**

8 “(a) IN GENERAL.—In the case of an eligible indi-
9 vidual, there shall be allowed as a credit against the tax
10 imposed by subtitle A for the first taxable year beginning

1 in 2022 an amount equal to the 2022 rebate amount de-
2 termined for such taxable year.

3 “(b) 2022 REBATE AMOUNT.—For purposes of this
4 section, the term ‘2022 rebate amount’ means, with re-
5 spect to any taxpayer for any taxable year, \$12,000
6 (\$24,000 in the case of a joint return or surviving spouse).

7 “(c) ELIGIBLE INDIVIDUAL.—For purposes of this
8 section, the term ‘eligible individual’ means any individual
9 other than—

10 “(1) any nonresident alien individual,

11 “(2) any individual with respect to whom a de-
12 duction under section 151 is allowable to another
13 taxpayer for a taxable year beginning in the cal-
14 endar year in which the individual’s taxable year be-
15 gins, and

16 “(3) an estate or trust.

17 “(d) LIMITATION BASED ON ADJUSTED GROSS IN-
18 COME.—

19 “(1) IN GENERAL.—The amount of the credit
20 allowed by subsection (a) (determined without re-
21 gard to this subsection and subsection (f)) shall be
22 reduced (but not below zero) by the amount which
23 bears the same ratio to such credit (as so deter-
24 mined) as—

25 “(A) the excess of—

1 “(i) the taxpayer’s modified adjusted
2 gross income for such taxable year, over

3 “(ii) \$75,000, bears to

4 “(B) \$5,000.

5 “(2) SPECIAL RULES.—

6 “(A) JOINT RETURN OR SURVIVING
7 SPOUSE.—In the case of a joint return or a sur-
8 viving spouse (as defined in section 2(a)), para-
9 graph (1) shall be applied by substituting
10 ‘\$150,000’ for ‘\$75,000’ and ‘\$10,000’ for
11 ‘\$5,000’.

12 “(B) HEAD OF HOUSEHOLD.—In the case
13 of a head of household (as defined in section
14 2(b)), paragraph (1) shall be applied by sub-
15 stituting ‘\$112,500’ for ‘\$75,000’ and ‘\$7,500’
16 for ‘\$5,000’.

17 “(e) DEFINITIONS AND SPECIAL RULES.—

18 “(1) IDENTIFICATION NUMBER REQUIRE-
19 MENT.—

20 “(A) IN GENERAL.—In the case of a re-
21 turn other than a joint return, the \$12,000
22 amount in subsection (b) shall be treated as
23 being zero unless the taxpayer includes the
24 valid identification number of the taxpayer on
25 the return of tax for the taxable year.

1 “(B) JOINT RETURNS.—In the case of a
2 joint return, the \$24,000 amount in subsection
3 (b) shall be treated as being—

4 “(i) \$12,000 if the valid identification
5 number of only 1 spouse is included on the
6 return of tax for the taxable year, and

7 “(ii) zero if the valid identification
8 number of neither spouse is so included.

9 “(C) VALID IDENTIFICATION NUMBER.—

10 “(i) IN GENERAL.—For purposes of
11 this paragraph, the term ‘valid identifica-
12 tion number’ means a social security num-
13 ber issued to an individual by the Social
14 Security Administration on or before the
15 due date for filing the return for the tax-
16 able year.

17 “(ii) ADOPTION TAXPAYER IDENTI-
18 FICATION NUMBER.—For purposes of sub-
19 paragraph (C), in the case of a dependent
20 who is adopted or placed for adoption, the
21 term ‘valid identification number’ shall in-
22 clude the adoption taxpayer identification
23 number of such dependent.

24 “(D) SPECIAL RULE FOR MEMBERS OF
25 THE ARMED FORCES.—Subparagraph (B) shall

1 not apply in the case where at least 1 spouse
2 was a member of the Armed Forces of the
3 United States at any time during the taxable
4 year and the valid identification number of at
5 least 1 spouse is included on the return of tax
6 for the taxable year.

7 “(E) COORDINATION WITH CERTAIN AD-
8 VANCE PAYMENTS.—In the case of any payment
9 made pursuant to subsection (g)(6), a valid
10 identification number shall be treated for pur-
11 poses of this paragraph as included on the tax-
12 payer’s return of tax if such valid identification
13 number is provided pursuant to such sub-
14 section.

15 “(F) MATHEMATICAL OR CLERICAL ERROR
16 AUTHORITY.—Any omission of a correct valid
17 identification number required under this para-
18 graph shall be treated as a mathematical or
19 clerical error for purposes of applying section
20 6213(g)(2) to such omission.

21 “(2) CREDIT TREATED AS REFUNDABLE.—The
22 credit allowed by subsection (a) shall be treated as
23 allowed by subpart C of part IV of subchapter A of
24 chapter 1.

1 “(f) COORDINATION WITH ADVANCE REFUNDS OF
2 CREDIT.—

3 “(1) REDUCTION OF REFUNDABLE CREDIT.—

4 The amount of the credit which would (but for this
5 paragraph) be allowable under subsection (a) shall
6 be reduced (but not below zero) by the aggregate re-
7 funds and credits made or allowed to the taxpayer
8 (or any dependent of the taxpayer) under subsection
9 (g). Any failure to so reduce the credit shall be
10 treated as arising out of a mathematical or clerical
11 error and assessed according to section 6213(b)(1).

12 “(2) JOINT RETURNS.—Except as otherwise
13 provided by the Secretary, in the case of a refund
14 or credit made or allowed under subsection (g) with
15 respect to a joint return, half of such refund or cred-
16 it shall be treated as having been made or allowed
17 to each individual filing such return.

18 “(g) ADVANCE REFUNDS AND CREDITS.—

19 “(1) IN GENERAL.—Subject to paragraphs (5)
20 and (6), each individual who was an eligible indi-
21 vidual for such individual’s first taxable year begin-
22 ning in 2020 shall be treated as having made a pay-
23 ment against the tax imposed by chapter 1 for such
24 taxable year in an amount equal to the advance re-
25 fund amount for such taxable year.

1 “(2) ADVANCE REFUND AMOUNT.—

2 “(A) IN GENERAL.—For purposes of para-
3 graph (1), the advance refund amount is the
4 amount that would have been allowed as a cred-
5 it under this section for such taxable year if
6 this section (other than subsection (f) and this
7 subsection) had applied to such taxable year.

8 “(B) TREATMENT OF DECEASED INDIVID-
9 UALS.—For purposes of determining the ad-
10 vance refund amount with respect to such tax-
11 able year, any individual who was deceased be-
12 fore January 1, 2022, shall be treated for pur-
13 poses of applying subsection (e)(3) in the same
14 manner as if the valid identification number of
15 such person was not included on the return of
16 tax for such taxable year and no amount shall
17 be determined under subsection (e)(3) with re-
18 spect to any dependent of the taxpayer if the
19 taxpayer (both spouses in the case of a joint re-
20 turn) was deceased before January 1, 2022.

21 “(3) TIMING AND MANNER OF PAYMENTS.—

22 “(A) TIMING.—The Secretary shall, sub-
23 ject to the provisions of this title and consistent
24 with rules similar to the rules of subparagraphs
25 (B) and (C) of section 6428A(f)(3), refund or

1 credit any overpayment attributable to this sub-
2 section as rapidly as possible, consistent with a
3 rapid effort to make payments attributable to
4 such overpayments electronically if appropriate.
5 No refund or credit shall be made or allowed
6 under this subsection after December 31, 2022.

7 “(4) NO INTEREST.—No interest shall be al-
8 lowed on any overpayment attributable to this sub-
9 section.

10 “(5) APPLICATION TO INDIVIDUALS WHO HAVE
11 FILED A RETURN OF TAX FOR 2021.—

12 “(A) APPLICATION TO 2021 RETURNS
13 FILED AT TIME OF INITIAL DETERMINATION.—
14 If, at the time of any determination made pur-
15 suant to paragraph (3), the individual referred
16 to in paragraph (1) has filed a return of tax for
17 the individual’s first taxable year beginning in
18 2021, paragraph (1) shall be applied with re-
19 spect to such individual by substituting ‘2021’
20 for ‘2020’.

21 “(B) ADDITIONAL PAYMENT.—

22 “(i) IN GENERAL.—In the case of any
23 individual who files, before the additional
24 payment determination date, a return of
25 tax for such individual’s first taxable year

beginning in 2021, the Secretary shall make a payment (in addition to any payment made under paragraph (1)) to such individual equal to the excess (if any) of—

“(I) the amount which would be determined under paragraph (1) (after the application of subparagraph (A)) by applying paragraph (1) as of the additional payment determination date, over

“(II) the amount of any payment made with respect to such individual under paragraph (1).

“(ii) ADDITIONAL PAYMENT DETERMINATION DATE.—The term ‘additional payment determination date’ means the earlier of—

“(I) the date which is 90 days after the 2021 calendar year filing deadline, or

“(II) September 1, 2022.

“(iii) 2021 CALENDAR YEAR FILING DEADLINE.—The term ‘2020 calendar year filing deadline’ means the date specified in section 6072(a) with respect to returns for

1 calendar year 2021. Such date shall be de-
2 termined after taking into account any pe-
3 riod disregarded under section 7508A if
4 such disregard applies to substantially all
5 returns for calendar year 2021 to which
6 section 6072(a) applies.

7 “(6) APPLICATION TO CERTAIN INDIVIDUALS
8 WHO HAVE NOT FILED A RETURN OF TAX FOR 2020
9 OR 2021 AT TIME OF DETERMINATION.—In the case
10 of any individual who, at the time of any determina-
11 tion made pursuant to paragraph (3), has filed a tax
12 return for neither the year described in paragraph
13 (1) nor for the year described in paragraph (5)(A),
14 the Secretary shall, consistent with rules similar to
15 the rules of section 6428A(f)(5)(H)(i), apply para-
16 graph (1) on the basis of information available to
17 the Secretary and shall, on the basis of such infor-
18 mation, determine the advance refund amount with
19 respect to such individual without regard to sub-
20 section (d) unless the Secretary has reason to know
21 that such amount would otherwise be reduced by
22 reason of such subsection.

23 “(7) SPECIAL RULE RELATED TO TIME OF FIL-
24 ING RETURN.—Solely for purposes of this sub-
25 section, a return of tax shall not be treated as filed

1 until such return has been processed by the Internal
2 Revenue Service.

3 “(h) REGULATIONS.—The Secretary shall prescribe
4 such regulations or other guidance as may be necessary
5 or appropriate to carry out the purposes of this section,
6 including—

7 “(1) regulations or other guidance providing
8 taxpayers the opportunity to provide the Secretary
9 information sufficient to allow the Secretary to make
10 payments to such taxpayers under subsection (g)
11 (including the determination of the amount of such
12 payment) if such information is not otherwise avail-
13 able to the Secretary, and

14 “(2) regulations or other guidance to ensure to
15 the maximum extent administratively practicable
16 that, in determining the amount of any credit under
17 subsection (a) and any credit or refund under sub-
18 section (g), an individual is not taken into account
19 more than once, including by different taxpayers and
20 including by reason of a change in joint return sta-
21 tus or dependent status between the taxable year for
22 which an advance refund amount is determined and
23 the taxable year for which a credit under subsection
24 (a) is determined.

1 “(i) OUTREACH.—The Secretary shall carry out a ro-
2 bust and comprehensive outreach program to ensure that
3 all taxpayers described in subsection (h)(1) learn of their
4 eligibility for the advance refunds and credits under sub-
5 section (g), are advised of the opportunity to receive such
6 advance refunds and credits as provided under subsection
7 (h)(1), and are provided assistance in applying for such
8 advance refunds and credits.”.

9 (b) TREATMENT OF CERTAIN POSSESSIONS.—

10 (1) PAYMENTS TO POSSESSIONS WITH MIRROR
11 CODE TAX SYSTEMS.—The Secretary of the Treas-
12 ury shall pay to each possession of the United States
13 which has a mirror code tax system amounts equal
14 to the loss (if any) to that possession by reason of
15 the amendments made by this section. Such
16 amounts shall be determined by the Secretary of the
17 Treasury based on information provided by the gov-
18 ernment of the respective possession.

19 (2) PAYMENTS TO OTHER POSSESSIONS.—The
20 Secretary of the Treasury shall pay to each posses-
21 sion of the United States which does not have a mir-
22 ror code tax system amounts estimated by the Sec-
23 retary of the Treasury as being equal to the aggre-
24 gate benefits (if any) that would have been provided
25 to residents of such possession by reason of the

1 amendments made by this section if a mirror code
 2 tax system had been in effect in such possession.
 3 The preceding sentence shall not apply unless the re-
 4 spective possession has a plan, which has been ap-
 5 proved by the Secretary of the Treasury, under
 6 which such possession will promptly distribute such
 7 payments to its residents.

8 (3) COORDINATION WITH CREDIT ALLOWED
 9 AGAINST UNITED STATES INCOME TAXES.—No cred-
 10 it shall be allowed against United States income
 11 taxes under section 6428C of the Internal Revenue
 12 Code of 1986 (as added by this section), nor shall
 13 any credit or refund be made or allowed under sub-
 14 section (g) of such section, to any person—

15 (A) to whom a credit is allowed against
 16 taxes imposed by the possession by reason of
 17 the amendments made by this section, or

18 (B) who is eligible for a payment under a
 19 plan described in paragraph (2).

20 (4) MIRROR CODE TAX SYSTEM.—For purposes
 21 of this subsection, the term “mirror code tax sys-
 22 tem” means, with respect to any possession of the
 23 United States, the income tax system of such posses-
 24 sion if the income tax liability of the residents of
 25 such possession under such system is determined by

1 reference to the income tax laws of the United
2 States as if such possession were the United States.

3 (5) TREATMENT OF PAYMENTS.—For purposes
4 of section 1324 of title 31, United States Code, the
5 payments under this subsection shall be treated in
6 the same manner as a refund due from a credit pro-
7 vision referred to in subsection (b)(2) of such sec-
8 tion.

9 (c) ADMINISTRATIVE PROVISIONS.—

10 (1) DEFINITION OF DEFICIENCY.—Section
11 6211(b)(4)(A) of the Internal Revenue Code of 1986
12 is amended by striking “6428, 6428A, and 6428B”
13 and inserting “6428, 6428A, 6428B, and 6428C”.

14 (2) MATHEMATICAL OR CLERICAL ERROR AU-
15 THORITY.—Section 6213(g)(2) of such Code is
16 amended—

17 (A) by striking “or section 6428A or
18 6428B (relating to additional recovery rebates
19 to individuals)” and inserting “or section
20 6428A, 6428B, or 6428C”, and

21 (B) by striking “6428, 6428A, or 6428B”
22 and inserting “6428, 6428A, 6428B, or
23 6428C” in subparagraph (L).

24 (3) EXCEPTION FROM REDUCTION OR OFF-
25 SET.—Any credit or refund allowed or made to any

1 individual by reason of section 6428C of the Internal
2 Revenue Code of 1986 (as added by this section) or
3 by reason of subsection (b) of this section shall not
4 be—

5 (A) subject to reduction or offset pursuant
6 to section 3716 or 3720A of title 31, United
7 States Code,

8 (B) subject to reduction or offset pursuant
9 to subsection (c), (d), (e), or (f) of section 6402
10 of the Internal Revenue Code of 1986, or

11 (C) reduced or offset by other assessed
12 Federal taxes that would otherwise be subject
13 to levy or collection.

14 (4) ASSIGNMENT OF BENEFITS.—

15 (A) IN GENERAL.—The right of any per-
16 son to any applicable payment shall not be
17 transferable or assignable, at law or in equity,
18 and no applicable payment shall be subject to,
19 execution, levy, attachment, garnishment, or
20 other legal process, or the operation of any
21 bankruptcy or insolvency law.

22 (B) ENCODING OF PAYMENTS.—In the
23 case of an applicable payment described in sub-
24 paragraph (E)(iii)(I) that is paid electronically
25 by direct deposit through the Automated Clear-

1 ing House (ACH) network, the Secretary of the
2 Treasury (or the Secretary's delegate) shall—

3 (i) issue the payment using a unique
4 identifier that is reasonably sufficient to
5 allow a financial institution to identify the
6 payment as an applicable payment, and

7 (ii) further encode the payment pursu-
8 ant to the same specifications as required
9 for a benefit payment defined in section
10 212.3 of title 31, Code of Federal Regula-
11 tions.

12 (C) GARNISHMENT.—

13 (i) ENCODED PAYMENTS.—In the case
14 of a garnishment order that applies to an
15 account that has received an applicable
16 payment that is encoded as provided in
17 subparagraph (B), a financial institution
18 shall follow the requirements and proce-
19 dures set forth in part 212 of title 31,
20 Code of Federal Regulations, except—

21 (I) notwithstanding section 212.4
22 of title 31, Code of Federal Regula-
23 tions (and except as provided in sub-
24 clause (II)), a financial institution
25 shall not fail to follow the procedures

1 of sections 212.5 and 212.6 of such
2 title with respect to a garnishment
3 order merely because such order has
4 attached, or includes, a notice of right
5 to garnish Federal benefits issued by
6 a State child support enforcement
7 agency, and

8 (II) a financial institution shall
9 not, with regard to any applicable
10 payment, be required to provide the
11 notice referenced in sections 212.6
12 and 212.7 of title 31, Code of Federal
13 Regulations.

14 (ii) OTHER PAYMENTS.—If a financial
15 institution receives a garnishment order
16 (other than an order that has been served
17 by the United States), that has been re-
18 ceived by a financial institution and that
19 applies to an account into which an appli-
20 cable payment that has not been encoded
21 as provided in subparagraph (B) has been
22 deposited electronically or by an applicable
23 payment that has been deposited by check
24 on any date in the lookback period, the fi-
25 nancial institution, upon the request of the

1 account holder, shall treat the amount of
2 the funds in the account at the time of the
3 request, up to the amount of the applicable
4 payment (in addition to any amounts oth-
5 erwise protected under part 212 of title 31,
6 Code of Federal Regulations), as exempt
7 from a garnishment order without requir-
8 ing the consent of the party serving the
9 garnishment order or the judgment cred-
10 itor.

11 (iii) LIABILITY.—A financial institu-
12 tion that acts in good faith in reliance on
13 clauses (i) or (ii) shall not be subject to li-
14 ability or regulatory action under any Fed-
15 eral or State law, regulation, court or other
16 order, or regulatory interpretation for ac-
17 tions concerning any applicable payments.

18 (D) PRESERVATION OF RECLAMATION
19 RIGHTS.—This paragraph shall not alter the
20 status of applicable payments as tax refunds or
21 other nonbenefit payments for purpose of any
22 reclamation rights of the Department of the
23 Treasury or the Internal Revenue Service as
24 per part 210 of title 31, Code of Federal Regu-
25 lations.

1 (E) DEFINITIONS.—For purposes of this
2 paragraph—

3 (i) ACCOUNT HOLDER.—The term
4 “account holder” means a natural person
5 whose name appears in a financial institu-
6 tion’s records as the direct or beneficial
7 owner of an account.

8 (ii) ACCOUNT REVIEW.—The term
9 “account review” means the process of ex-
10 amining deposits in an account to deter-
11 mine if an applicable payment has been de-
12 posited into the account during the
13 lookback period. The financial institution
14 shall perform the account review following
15 the procedures outlined in section 212.5 of
16 title 31, Code of Federal Regulations and
17 in accordance with the requirements of sec-
18 tion 212.6 of title 31, Code of Federal
19 Regulations.

20 (iii) APPLICABLE PAYMENT.—The
21 term “applicable payment” means—

22 (I) any advance refund amount
23 paid pursuant to section 6428C(g) of
24 Internal Revenue Code of 1986 (as
25 added by this section),

1 (II) any payment made by a pos-
2 session of the United States with a
3 mirror code tax system (as defined in
4 subsection (b) of this section) pursu-
5 ant to such subsection which cor-
6 responds to a payment described in
7 subclause (I), and

8 (III) any payment made by a
9 possession of the United States with-
10 out a mirror code tax system (as so
11 defined) pursuant to subsection (b) of
12 this section.

13 (iv) GARNISHMENT.—The term “gar-
14 nishment” means execution, levy, attach-
15 ment, garnishment, or other legal process.

16 (v) GARNISHMENT ORDER.—The term
17 “garnishment order” means a writ, order,
18 notice, summons, judgment, levy, or simi-
19 lar written instruction issued by a court, a
20 State or State agency, a municipality or
21 municipal corporation, or a State child
22 support enforcement agency, including a
23 lien arising by operation of law for overdue
24 child support or an order to freeze the as-

1 sets in an account, to effect a garnishment
2 against a debtor.

3 (vi) LOOKBACK PERIOD.—The term
4 “lookback period” means the two-month
5 period that begins on the date preceding
6 the date of account review and ends on the
7 corresponding date of the month two
8 months earlier, or on the last date of the
9 month two months earlier if the cor-
10 responding date does not exist.

11 (5) AGENCY INFORMATION SHARING AND AS-
12 SISTANCE.—

13 (A) IN GENERAL.—The Commissioner of
14 Social Security, the Railroad Retirement Board,
15 and the Secretary of Veterans Affairs shall each
16 provide the Secretary of the Treasury (or the
17 Secretary’s delegate) such information and as-
18 sistance as the Secretary of the Treasury (or
19 the Secretary’s delegate) may require for pur-
20 poses of—

21 (i) making payments under section
22 6428C(g) of the Internal Revenue Code of
23 1986 to individuals described in paragraph
24 (6) thereof, or

1 (ii) providing administrative assist-
 2 ance to a possession of the United States
 3 (as defined in subsection (c)(3)(A)) to
 4 allow such possession to promptly dis-
 5 tribute payments under subsection (c) to
 6 its residents.

7 (B) EXCHANGE OF INFORMATION WITH
 8 POSSESSIONS.—Any information provided to the
 9 Secretary of the Treasury (or the Secretary’s
 10 delegate) pursuant to subparagraph (A)(ii) may
 11 be exchanged with a possession of the United
 12 States in accordance with the applicable tax co-
 13 ordination agreement for information exchange
 14 and administrative assistance that the Internal
 15 Revenue Service has agreed to with such pos-
 16 session.

17 (6) CONFORMING AMENDMENTS.—

18 (A) Paragraph (2) of section 1324(b) of
 19 title 31, United States Code, is amended by in-
 20 serting “6428C,” after “6428B,”.

21 (B) The table of sections for subchapter B
 22 of chapter 65 of the Internal Revenue Code of
 23 1986 is amended by inserting after the item re-
 24 lating to section 6428B the following new item:

“Sec. 6428C. 2022 recovery rebates to individuals.”.

1 (d) REPORTS TO CONGRESS.—Each week beginning
2 after the date of the enactment of this Act and beginning
3 before December 31, 2022, on Friday of such week, not
4 later than 3 p.m. eastern time, the Secretary of the Treas-
5 ury shall provide a written report to the Committee on
6 Ways and Means of the House of Representatives and the
7 Committee on Finance of the Senate. Such report shall
8 include the following information with respect to payments
9 made pursuant to section 6428C of the Internal Revenue
10 Code of 1986:

11 (1) The number of scheduled payments sent to
12 the Bureau of Fiscal Service for payment by direct
13 deposit or paper check for the following week (stated
14 separately for direct deposit and paper check).

15 (2) The total dollar amount of the scheduled
16 payments described in paragraph (1).

17 (3) The number of direct deposit payments re-
18 turned to the Department of the Treasury and the
19 total dollar value of such payments, for the week
20 ending on the day prior to the day on which the re-
21 port is provided.

22 (4) The total number of letters related to pay-
23 ments under section 6428C of such Code mailed to

- 1 taxpayers during the week ending on the day prior
- 2 to the day on which the report is provided.

