AMENDMENT TO SENATE AMENDMENT TO HOUSE
AMENDMENT TO SENATE AMENDMENT TO
H.R. 4853

OFFERED BY MR. SHERMAN OF CALIFORNIA

Amend title VI to read as follows:

TITLE VI—2010 RECOVERY REBATES FOR INDIVIDUALS

SEC. 601. 2010 RECOVERY REBATES FOR INDIVIDUALS.

(a) IN GENERAL.—Subchapter B of chapter 65 is amended by adding at the end the following new section:

"SEC. 6433. 2010 RECOVERY REBATES FOR INDIVIDUALS.

"(a) IN GENERAL.—

"(1) INDIVIDUALS WITH EMPLOYMENT TAX LIABILITY.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by chapter 1 for the first taxable year beginning in 2010 an amount equal to the sum of—

"(A) 32.25 percent of the amount imposed on such individual under section 3101(a) in calendar year 2010, and

"(B) 16.13 percent of the amount imposed on such individual under section 1401(a) in taxable year 2010.

1   "(2) SPECIAL RULE FOR WORKERS WITH
2 EARNED INCOME WHO ARE NOT IN THE SOCIAL SE-
3 CURITY SYSTEM.—An individual with earned income
4 for the first taxable year beginning in 2010 who is
5 not an eligible individual and who is not described
6 in subsection (c)(2) shall be allowed as a credit
7 against the tax imposed by chapter 1 for the first
8 taxable year beginning in 2010 in an amount equal
9 to 2 percent of such earned income. For purposes of
10 the preceding sentence, earned income in excess of
11 $106,000 shall not be taken into account.

12 "(b) TREATMENT AS REFUNDABLE CREDIT.—The
13 credit allowed by subsection (a) shall be treated as allowed
14 by subpart C of part IV of subchapter A of chapter 1.

15 "(c) ELIGIBLE INDIVIDUAL DEFINED.—For pur-
16 poses of this section—

17   "(1) IN GENERAL.—The term 'eligible indi-
18 vidual' means any individual with tax liability under
19 section 3101(a) or 1401(a) in 2010.

20   "(2) EXCEPTION.—Such term does not in-
21 clude—

22   "(A) any nonresident alien individual, and

23   "(B) an estate or trust.

24 "(d) IDENTIFICATION NUMBER REQUIREMENT.—

1   "(1) IN GENERAL.—No credit shall be allowed

2 under subsection (a) to an individual who does not

3 include on the return of tax for the taxable year—

4   "(A) such individual's valid identification

5   number, and

6   "(B) in the case of a joint return, the valid

7   identification number of such individual's

8   spouse.

9   "(2) VALID IDENTIFICATION NUMBER.—For

10 purposes of paragraph (1), the term 'valid identifica-

11 tion number' means a social security number issued

12 to an individual by the Social Security Administra-

13 tion. Such term shall not include a TIN issued by

14 the Internal Revenue Service.

15   "(3) SPECIAL RULE FOR MEMBERS OF THE

16 ARMED FORCES.—Paragraph (1) shall not apply to

17 a joint return where at least 1 spouse was a member

18 of the Armed Forces of the United States at any

19 time during the taxable year.

20   "(e) COORDINATION WITH ADVANCE REFUNDS OF

21 CREDIT.—

22   "(1) IN GENERAL.—The amount of credit

23 which would (but for this paragraph) be allowable

24 under this section shall be reduced (but not below

25 zero) by the aggregate refunds and credits made or

1   allowed to the taxpayer under subsection (f). Any

2   failure to so reduce the credit shall be treated as

3   arising out of a mathematical or clerical error and

4   assessed according to section 6213(b)(1).

5   "(2) JOINT RETURNS.—In the case of a refund

6   or credit made or allowed under subsection (f) with

7   respect to a joint return, half of such refund or cred-

8   it shall be treated as having been made or allowed

9   to each individual filing such return.

10   "(f) ADVANCE REFUNDS AND CREDITS.—

11   "(1) IN GENERAL.—Each individual to whom a

12   credit is allowable under subsection (a) shall be

13   treated as having made a payment against the tax

14   imposed by chapter 1 for such first taxable year in

15   an amount equal to the advance refund amount for

16   such taxable year.

17   "(2) ADVANCE REFUND AMOUNT.—For pur-

18   poses of paragraph (1), the advance refund amount

19   is the amount that is allowed as a credit under this

20   section (other than subsection (e)) for such first tax-

21   able year.

22   "(3) TIMING OF PAYMENTS.—The Secretary

23   shall, subject to the provisions of this title, refund

24   or credit any overpayment attributable to this sec-

25   tion as rapidly as possible. No refund or credit shall

1 be made or allowed under this subsection after De-

2 cember 31, 2011.

3 "(4) SEPARATE PAYMENT.—Such overpayment

4 shall be treated separately from any return of tax

5 under this title (other than this section) for any tax-

6 able year beginning in 2010.

7 "(5) NO INTEREST.—No interest shall be al-

8 lowed on any overpayment attributable to this sec-

9 tion.".

10 (b) ADMINISTRATIVE AMENDMENTS.—

11 (1) DEFINITION OF DEFICIENCY.—Section

12 6211(b)(4)(A) of the Internal Revenue Code of 1986

13 is amended by striking "and 6428" and inserting

14 "6428, and 6433".

15 (2) MATHEMATICAL OR CLERICAL ERROR AU-

16 THORITY.—Section 6213(g)(2)(L) of such Code is

17 amended by striking "or 6428" and inserting "6428,

18 or 6433".

19 (c) TREATMENT OF POSSESSIONS.—

20 (1) PAYMENTS TO POSSESSIONS.—

21 (A) MIRROR CODE POSSESSION.—The Sec-

22 retary of the Treasury shall make a payment to

23 each possession of the United States with a

24 mirror code tax system in an amount equal to

25 the loss to that possession by reason of the

1   amendments made by this section. Such amount

2   shall be determined by the Secretary of the

3   Treasury based on information provided by the

4   government of the respective possession.

5   (B) OTHER POSSESSIONS.—The Secretary

6   of the Treasury shall make a payment to each

7   possession of the United States which does not

8   have a mirror code tax system in an amount es-

9   timated by the Secretary of the Treasury as

10   being equal to the aggregate benefits that would

11   have been provided to residents of such posses-

12   sion by reason of the amendments made by this

13   section if a mirror code tax system had been in

14   effect in such possession. The preceding sen-

15   tence shall not apply with respect to any posses-

16   sion of the United States unless such possession

17   has a plan, which has been approved by the

18   Secretary of the Treasury, under which such

19   possession will promptly distribute such pay-

20   ment to the residents of such possession.

21   (2) COORDINATION WITH CREDIT ALLOWED

22   AGAINST UNITED STATES INCOME TAXES.—No cred-

23   it shall be allowed against United States income

24   taxes under section 6433 of the Internal Revenue

1   Code of 1986 (as amended by this section) to any

2   person—

3   (A) to whom a credit is allowed against

4   taxes imposed by the possession by reason of

5   the amendments made by this section, or

6   (B) who is eligible for a payment under a

7   plan described in paragraph (1)(B).

8   (3) DEFINITIONS AND SPECIAL RULES.—

9   (A) POSSESSION OF THE UNITED

10   STATES.—For purposes of this subsection, the

11   term "possession of the United States" includes

12   the Commonwealth of Puerto Rico and the

13   Commonwealth of the Northern Mariana Is-

14   lands.

15   (B) MIRROR CODE TAX SYSTEM.—For pur-

16   poses of this subsection, the term "mirror code

17   tax system" means, with respect to any posses-

18   sion of the United States, the income tax sys-

19   tem of such possession if the income tax liabil-

20   ity of the residents of such possession under

21   such system is determined by reference to the

22   income tax laws of the United States as if such

23   possession were the United States.

24   (C) TREATMENT OF PAYMENTS.—For pur-

25   poses of section 1324(b)(2) of title 31, United

1   States Code, the payments under this sub-

2   section shall be treated in the same manner as

3   a refund due from the credit allowed under sec-

4   tion 6433 of the Internal Revenue Code of 1986

5   (as amended by this section) and for purposes

6   of section 6409 of the Internal Revenue Code of

7   1986 (as added by section 728 of this Act) shall

8   be treated as made under such Code.

9   (d) APPROPRIATIONS TO CARRY OUT REBATES.—

10   (1) IN GENERAL.—Immediately upon the enact-

11   ment of this Act, the same sums are appropriated,

12   out of any money in the Treasury not otherwise ap-

13   propriated, for the fiscal year ending September 30,

14   2010, as were appropriated by section 101 of the

15   Economic Stimulus Act of 2008.

16   (2) REPORTS.—No later than 15 days after en-

17   actment of this Act, the Secretary of the Treasury

18   shall submit a plan to the Committees on Appropria-

19   tions of the House of Representatives and the Sen-

20   ate detailing the expected use of the funds provided

21   by paragraph (1). Beginning 90 days after enact-

22   ment of this Act, the Secretary of the Treasury shall

23   submit a quarterly report to the Committees on Ap-

24   propriations of the House of Representatives and the

25   Senate detailing the actual expenditure of funds pro-

1   vided by paragraph (1) and the expected expenditure

2   of such funds in the subsequent quarter.

3   (e) CONFORMING AMENDMENTS.—

4   (1) Paragraph (2) of section 1324(b) of title

5   31, United States Code, is amended by inserting "or

6   6433" after "6428".

7   (2) The table of sections for subchapter B of

8   chapter 65 of such Code is amended by inserting

9   after the item relating to section 6432 the following

10   new item:

"Sec. 6433. 2010 recovery rebates for individuals.".

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