

116TH CONGRESS  
2D SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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Mr. SANDERS introduced the following bill; which was read twice and referred to the Committee on \_\_\_\_\_

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**A BILL**

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

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 “Emergency Direct Pay-  
5 ments Act”.

6 **SEC. 2. ADDITIONAL RECOVERY REBATES FOR INDIVID-**  
7 **UALS.**

8 (a) IN GENERAL.—Subchapter B of chapter 65 of  
9 subtitle F of the Internal Revenue Code of 1986 is amend-

1 ed by inserting after section 6428 the following new sec-  
2 tion:

3 **“SEC. 6428A. ADDITIONAL RECOVERY REBATES FOR INDI-**  
4 **VIDUALS.**

5 “(a) IN GENERAL.—In the case of an eligible indi-  
6 vidual, there shall be allowed as a credit against the tax  
7 imposed by subtitle A for the first taxable year beginning  
8 in 2020 an amount equal to the sum of—

9 “(1) \$1,200 (\$2,400 in the case of eligible indi-  
10 viduals filing a joint return), plus

11 “(2) an amount equal to the product of \$500  
12 multiplied by the number of dependents (as defined  
13 in section 152) of the taxpayer.

14 “(b) TREATMENT OF CREDIT.—The credit allowed by  
15 subsection (a) shall be treated as allowed by subpart C  
16 of part IV of subchapter A of chapter 1.

17 “(c) LIMITATION BASED ON ADJUSTED GROSS IN-  
18 COME.—The amount of the credit allowed by subsection  
19 (a) (determined without regard to this subsection and sub-  
20 section (e)) shall be reduced (but not below zero) by 5  
21 percent of so much of the taxpayer’s adjusted gross in-  
22 come as exceeds—

23 “(1) \$150,000 in the case of a joint return,

24 “(2) \$112,500 in the case of a head of house-  
25 hold, and

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

3           “(d) ELIGIBLE INDIVIDUAL.—For purposes of this  
4           section, the term ‘eligible individual’ means any individual  
5           other than—

6           “(1) any nonresident alien individual,

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

12          “(3) an estate or trust.

13          “(e) COORDINATION WITH ADVANCE REFUNDS OF  
14          CREDIT.—

15          “(1) IN GENERAL.—The amount of credit  
16          which would (but for this paragraph) be allowable  
17          under this section shall be reduced (but not below  
18          zero) by the aggregate refunds and credits made or  
19          allowed to the taxpayer under subsection (f). Any  
20          failure to so reduce the credit shall be treated as  
21          arising out of a mathematical or clerical error and  
22          assessed according to section 6213(b)(1).

23          “(2) JOINT RETURNS.—In the case of a refund  
24          or credit made or allowed under subsection (f) with  
25          respect to a joint return, half of such refund or cred-

1 it shall be treated as having been made or allowed  
2 to each individual filing such return.

3 “(f) ADVANCE REFUNDS AND CREDITS.—

4 “(1) IN GENERAL.—Subject to paragraph (5),  
5 each individual who was an eligible individual for  
6 such individual’s first taxable year beginning in  
7 2019 shall be treated as having made a payment  
8 against the tax imposed by chapter 1 for such tax-  
9 able year in an amount equal to the advance refund  
10 amount for such taxable year.

11 “(2) ADVANCE REFUND AMOUNT.—For pur-  
12 poses of paragraph (1), the advance refund amount  
13 is the amount that would have been allowed as a  
14 credit under this section for such taxable year if this  
15 section (other than subsection (e) and this sub-  
16 section) had applied to such taxable year.

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

18 “(A) TIMING.—The Secretary shall, sub-  
19 ject to the provisions of this title, refund or  
20 credit any overpayment attributable to this sec-  
21 tion as rapidly as possible. No refund or credit  
22 shall be made or allowed under this subsection  
23 after December 31, 2021.

24 “(B) DELIVERY OF PAYMENTS.—Notwith-  
25 standing any other provision of law, the Sec-

1           retary may certify and disburse refunds payable  
2           under this subsection electronically to any ac-  
3           count to which the payee authorized, on or after  
4           January 1, 2018, the delivery of a refund of  
5           taxes under this title or of a Federal payment  
6           (as defined in section 3332 of title 31, United  
7           States Code).

8           “(C) WAIVER OF CERTAIN RULES.—Not-  
9           withstanding section 3325 of title 31, United  
10          States Code, or any other provision of law, with  
11          respect to any payment of a refund under this  
12          subsection, a disbursing official in the executive  
13          branch of the United States Government may  
14          modify payment information received from an  
15          officer or employee described in section  
16          3325(a)(1)(B) of such title for the purpose of  
17          facilitating the accurate and efficient delivery of  
18          such payment. Except in cases of fraud or reck-  
19          less neglect, no liability under sections 3325,  
20          3527, 3528, or 3529 of title 31, United States  
21          Code, shall be imposed with respect to pay-  
22          ments made under this subparagraph.

23          “(4) NO INTEREST.—No interest shall be al-  
24          lowed on any overpayment attributable to this sec-  
25          tion.

1           “(5) ALTERNATE TAXABLE YEAR.—In the case  
2 of an individual who, at the time of any determina-  
3 tion made pursuant to paragraph (3), has not filed  
4 a tax return for the year described in paragraph (1),  
5 the Secretary may—

6           “(A) apply such paragraph by substituting  
7 ‘2018’ for ‘2019’, and

8           “(B) if the individual has not filed a tax  
9 return for such individual’s first taxable year  
10 beginning in 2018, use information with respect  
11 to such individual for calendar year 2019 pro-  
12 vided in—

13           “(i) Form SSA–1099, Social Security  
14 Benefit Statement, or

15           “(ii) Form RRB–1099, Social Secu-  
16 rity Equivalent Benefit Statement.

17           “(6) PAYMENT TO REPRESENTATIVE PAYEES  
18 AND FIDUCIARIES.—

19           “(A) IN GENERAL.—In the case of any in-  
20 dividual for which payment information is pro-  
21 vided to the Secretary by the Commissioner of  
22 Social Security, the Railroad Retirement Board,  
23 or the Secretary of Veterans Affairs, the pay-  
24 ment by the Secretary under paragraph (3)  
25 with respect to such individual may be made to

1 such individual's representative payee or fidu-  
2 ciary and the entire payment shall be—

3 “(i) provided to the individual who is  
4 entitled to the payment, or

5 “(ii) used only for the benefit of the  
6 individual who is entitled to the payment.

7 “(B) APPLICATION OF ENFORCEMENT  
8 PROVISIONS.—

9 “(i) In the case of a payment de-  
10 scribed in subparagraph (A) which is made  
11 with respect to a social security beneficiary  
12 or a supplemental security income recipi-  
13 ent, section 1129(a)(3) of the Social Secu-  
14 rity Act (42 U.S.C. 1320a–8(a)(3)) shall  
15 apply to such payment in the same manner  
16 as such section applies to a payment under  
17 title II or XVI of such Act.

18 “(ii) In the case of a payment de-  
19 scribed in subparagraph (A) which is made  
20 with respect to a railroad retirement bene-  
21 ficiary, section 13 of the Railroad Retire-  
22 ment Act (45 U.S.C. 2311) shall apply to  
23 such payment in the same manner as such  
24 section applies to a payment under such  
25 Act.

1                   “(iii) In the case of a payment de-  
2                   scribed in subparagraph (A) which is made  
3                   with respect to a veterans beneficiary, sec-  
4                   tions 5502, 6106, and 6108 of title 38,  
5                   United States Code, shall apply to such  
6                   payment in the same manner as such sec-  
7                   tions apply to a payment under such title.

8                   “(7) NOTICE TO TAXPAYER.—Not later than 15  
9                   days after the date on which the Secretary distrib-  
10                  uted any payment to an eligible taxpayer pursuant  
11                  to this subsection, notice shall be sent by mail to  
12                  such taxpayer’s last known address. Such notice  
13                  shall indicate the method by which such payment  
14                  was made, the amount of such payment, and a  
15                  phone number for the appropriate point of contact  
16                  at the Internal Revenue Service to report any failure  
17                  to receive such payment.

18                  “(g) IDENTIFICATION NUMBER REQUIREMENT.—

19                  “(1) IN GENERAL.—In the case of any taxpayer  
20                  who does not include the valid identification number  
21                  of such taxpayer on the return of tax for the taxable  
22                  year, subsection (a)(1) shall be applied by sub-  
23                  stituting ‘\$0’ for ‘\$1,200’.

24                  “(2) JOINT RETURNS.—In the case of a joint  
25                  return—



1           “(A) if the valid identification number of  
2           only 1 spouse is included on the return of tax  
3           for the taxable year—

4                   “(i) subsection (a)(1) shall be applied  
5                   by substituting ‘\$1,200’ for ‘\$2,400’, and

6                   “(ii) subsection (c)(1) shall be applied  
7                   by substituting ‘\$75,000’ for ‘\$150,000’,

8                   or

9           “(B) if the valid identification number of  
10           neither spouse is included on the return of tax  
11           for the taxable year, subsection (a)(1) shall be  
12           applied by substituting ‘\$0’ for ‘\$2,400’.

13           “(3) DEPENDENT.—A dependent of a taxpayer  
14           shall not be taken into account under subsection  
15           (a)(2) unless—

16                   “(A) the taxpayer includes the valid identi-  
17                   fication number of such taxpayer (or, in the  
18                   case of a joint return, the valid identification  
19                   number of at least 1 spouse) on the return of  
20                   tax for the taxable year, and

21                   “(B) the valid identification number of  
22                   such dependent is included on the return of tax  
23                   for the taxable year.

24           “(4) VALID IDENTIFICATION NUMBER.—

1           “(A) IN GENERAL.—For purposes of this  
2           subsection, the term ‘valid identification num-  
3           ber’ means a social security number (as such  
4           term is defined in section 24(h)(7)).

5           “(B) ADOPTION TAXPAYER IDENTIFICA-  
6           TION NUMBER.—For purposes of paragraph  
7           (3)(B), in the case of a dependent who is adopt-  
8           ed or placed for adoption, the term ‘valid identi-  
9           fication number’ shall include the adoption tax-  
10          payer identification number of such dependent.

11          “(5) SPECIAL RULE FOR MEMBERS OF THE  
12          ARMED FORCES.—Paragraph (2) shall not apply in  
13          the case where at least 1 spouse was a member of  
14          the Armed Forces of the United States at any time  
15          during the taxable year and the valid identification  
16          number of at least 1 spouse is included on the re-  
17          turn of tax for the taxable year.

18          “(6) MATHEMATICAL OR CLERICAL ERROR AU-  
19          THORITY.—Any omission of a correct valid identi-  
20          fication number required under this subsection shall  
21          be treated as a mathematical or clerical error for  
22          purposes of applying section 6213(g)(2) to such  
23          omission.

24          “(h) REGULATIONS.—The Secretary shall prescribe  
25          such regulations or other guidance as may be necessary

1 to carry out the purposes of this section, including any  
2 such measures as are deemed appropriate to avoid allow-  
3 ing multiple credits or rebates to a taxpayer.”.

4 (b) ADMINISTRATIVE AMENDMENTS.—

5 (1) DEFINITION OF DEFICIENCY.—Section  
6 6211(b)(4)(A) of the Internal Revenue Code of 1986  
7 is amended by striking “and 6428” and inserting  
8 “6428, and 6428A”.

9 (2) MATHEMATICAL OR CLERICAL ERROR AU-  
10 THORITY.—Section 6213(g)(2)(L) of such Code is  
11 amended by striking “or 6428” and inserting “6428,  
12 or 6428A”.

13 (c) TREATMENT OF POSSESSIONS.—

14 (1) PAYMENTS TO POSSESSIONS.—

15 (A) MIRROR CODE POSSESSION.—The Sec-  
16 retary of the Treasury shall pay to each posses-  
17 sion of the United States which has a mirror  
18 code tax system amounts equal to the loss (if  
19 any) to that possession by reason of the amend-  
20 ments made by this section. Such amounts shall  
21 be determined by the Secretary of the Treasury  
22 based on information provided by the govern-  
23 ment of the respective possession.

24 (B) OTHER POSSESSIONS.—The Secretary  
25 of the Treasury shall pay to each possession of

1 the United States which does not have a mirror  
2 code tax system amounts estimated by the Sec-  
3 retary of the Treasury as being equal to the ag-  
4 gregate benefits (if any) that would have been  
5 provided to residents of such possession by rea-  
6 son of the amendments made by this section if  
7 a mirror code tax system had been in effect in  
8 such possession. The preceding sentence shall  
9 not apply unless the respective possession has a  
10 plan, which has been approved by the Secretary  
11 of the Treasury, under which such possession  
12 will promptly distribute such payments to its  
13 residents.

14 (2) COORDINATION WITH CREDIT ALLOWED  
15 AGAINST UNITED STATES INCOME TAXES.—No cred-  
16 it shall be allowed against United States income  
17 taxes under section 6428A of the Internal Revenue  
18 Code of 1986 (as added by this section) to any per-  
19 son—

20 (A) to whom a credit is allowed against  
21 taxes imposed by the possession by reason of  
22 the amendments made by this section, or

23 (B) who is eligible for a payment under a  
24 plan described in paragraph (1)(B).

25 (3) DEFINITIONS AND SPECIAL RULES.—

1 (A) POSSESSION OF THE UNITED  
2 STATES.—For purposes of this subsection, the  
3 term “possession of the United States” includes  
4 the Commonwealth of Puerto Rico and the  
5 Commonwealth of the Northern Mariana Is-  
6 lands.

7 (B) MIRROR CODE TAX SYSTEM.—For pur-  
8 poses of this subsection, the term “mirror code  
9 tax system” means, with respect to any posses-  
10 sion of the United States, the income tax sys-  
11 tem of such possession if the income tax liabil-  
12 ity of the residents of such possession under  
13 such system is determined by reference to the  
14 income tax laws of the United States as if such  
15 possession were the United States.

16 (C) TREATMENT OF PAYMENTS.—For pur-  
17 poses of section 1324 of title 31, United States  
18 Code, the payments under this subsection shall  
19 be treated in the same manner as a refund due  
20 from a credit provision referred to in subsection  
21 (b)(2) of such section.

22 (d) EXCEPTION FROM REDUCTION, OFFSET, GAR-  
23 NISHMENT, ETC.—

24 (1) IN GENERAL.—Any credit or refund allowed  
25 or made to any individual by reason of section

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

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

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

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

13       (2) ASSIGNMENT OF BENEFITS.—

14              (A) IN GENERAL.—Any applicable pay-  
15       ment shall not be subject to transfer, assign-  
16       ment, execution, levy, attachment, garnishment,  
17       or other legal process, or the operation of any  
18       bankruptcy or insolvency law, to the same ex-  
19       tent as payments described in section 207 of  
20       the Social Security Act (42 U.S.C. 407) without  
21       regard to subsection (b) thereof.

22              (B) ENCODING OF PAYMENTS.—As soon as  
23       practicable after the date of the enactment of  
24       this paragraph, the Secretary of the Treasury

1 shall encode applicable payments that are paid  
2 electronically to any account—

3 (i) with a unique identifier that is rea-  
4 sonably sufficient to allow a financial insti-  
5 tution to identify the payment as a pay-  
6 ment protected under subparagraph (A),  
7 and

8 (ii) pursuant to the same specifica-  
9 tions as required for a benefit payment to  
10 which part 212 of title 31, Code of Federal  
11 regulations applies.

12 (C) GARNISHMENT.—

13 (i) ENCODED PAYMENTS.—Upon re-  
14 ceipt of a garnishment order that applies  
15 to an account that has received an applica-  
16 ble 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. This para-  
21 graph shall not alter the status of pay-  
22 ments as tax refunds or other nonbenefit  
23 payments for purpose of any reclamation  
24 rights of the Department of Treasury or  
25 the Internal Revenue Service as per part

1 210 of title 31 of the Code of Federal Reg-  
2 ulations.

3 (ii) OTHER PAYMENTS.—If a financial  
4 institution receives a garnishment order  
5 (other than an order that has been served  
6 by the United States) that applies to an  
7 account into which an applicable payment  
8 that has not been encoded as provided in  
9 subparagraph (B) has been deposited on  
10 any date in the prior 60 days (including  
11 any date before the date of the enactment  
12 of this paragraph), the financial institu-  
13 tion, upon the request of the account hold-  
14 er or for purposes of complying in good  
15 faith with a State order, State law, court  
16 order, or interpretation by a State Attor-  
17 ney General relating to garnishment order,  
18 may, but is not required to, treat the  
19 amount of the payment as exempt under  
20 law from garnishment without requiring  
21 the account holder to assert any right of  
22 garnishment exemption or requiring the  
23 consent of the judgment creditor.

24 (iii) LIABILITY.—A financial institu-  
25 tion that complies in good faith with clause



1 (i) or that acts in good faith in reliance on  
2 clause (ii) shall not be liable under any  
3 Federal or State law, regulation, or court  
4 or other order to a creditor that initiates  
5 an order for any protected amounts, to an  
6 account holder for any frozen amounts or  
7 garnishment order applied.

8 (D) DEFINITIONS.—For purposes of this  
9 paragraph—

10 (i) ACCOUNT HOLDER.—The term  
11 “account holder” means a natural person  
12 against whom a garnishment order is  
13 issued and whose name appears in a finan-  
14 cial institution’s records.

15 (ii) APPLICABLE PAYMENT.—The  
16 term “applicable payment” means any pay-  
17 ment of credit or refund by reason of sec-  
18 tion 6428A of such Code (as so added) or  
19 by reason of subsection (c) of this section.

20 (iii) GARNISHMENT.—The term “gar-  
21 nishment” means execution, levy, attach-  
22 ment, garnishment, or other legal process.

23 (iv) GARNISHMENT ORDER.—

24 (I) IN GENERAL.—The term  
25 “garnishment order” means a writ,

1 order, notice, summons, judgment,  
2 levy, or similar written instruction  
3 issued by a court, a State or State  
4 agency, or a municipality or municipal  
5 corporation, including an order to  
6 freeze the assets in an account, to ef-  
7 fect a garnishment against a debtor.

8 (II) EXCEPTION FOR CHILD SUP-  
9 PORT.—The term “garnishment  
10 order” shall not include any writ,  
11 order, notice, summons, judgment,  
12 levy or other similar written instruc-  
13 tion issued by a State child support  
14 enforcement agency.

15 (E) EXCEPTION FOR CHILD SUPPORT.—  
16 Nothing in this subsection shall prevent or prej-  
17 udice the enforcement of any writ, order, notice,  
18 summons, judgment, levy or other similar writ-  
19 ten instruction issued by a State child support  
20 enforcement agency.

21 (e) PUBLIC AWARENESS CAMPAIGN.—The Secretary  
22 of the Treasury (or the Secretary’s delegate) shall conduct  
23 a public awareness campaign, in coordination with the  
24 Commissioner of Social Security and the heads of other  
25 relevant Federal agencies, to provide information regard-

1 ing the availability of the credit and rebate allowed under  
2 section 6428A of the Internal Revenue Code of 1986 (as  
3 added by this section), including information with respect  
4 to individuals who may not have filed a tax return for tax-  
5 able year 2018 or 2019.

6 (f) APPROPRIATIONS TO CARRY OUT REBATES.—

7 (1) IN GENERAL.—Immediately upon the enact-  
8 ment of this Act, the following sums are appro-  
9 priated, out of any money in the Treasury not other-  
10 wise appropriated, for the fiscal year ending Sep-  
11 tember 30, 2021:

12 (A) DEPARTMENT OF THE TREASURY.—

13 (i) For an additional amount for “De-  
14 partment of the Treasury—Bureau of the  
15 Fiscal Service—Salaries and Expenses”,  
16 \$78,650,000, to remain available until  
17 September 30, 2022.

18 (ii) For an additional amount for  
19 “Department of the Treasury—Internal  
20 Revenue Service—Taxpayer Services”,  
21 \$293,500,000, to remain available until  
22 September 30, 2022.

23 (iii) For an additional amount for  
24 “Department of the Treasury—Internal  
25 Revenue Service—Operations Support”,

1                   \$170,000,000, to remain available until  
2                   September 30, 2022.

3                   (iv) For an additional amount for  
4                   “Department of Treasury—Internal Rev-  
5                   enue Service—Enforcement”, \$37,200,000,  
6                   to remain available until September 30,  
7                   2022.

8                   Amounts made available in appropriations  
9                   under clauses (ii), (iii), and (iv) of this subpara-  
10                  graph may be transferred between such appro-  
11                  priations upon the advance notification of the  
12                  Committees on Appropriations of the House of  
13                  Representatives and the Senate. Such transfer  
14                  authority is in addition to any other transfer  
15                  authority provided by law.

16                  (B) SOCIAL SECURITY ADMINISTRATION.—  
17                  For an additional amount for “Social Security  
18                  Administration—Limitation on Administrative  
19                  Expenses”, \$38,000,000, to remain available  
20                  until September 30, 2022.

21                  (2) REPORTS.—No later than 15 days after en-  
22                  actment of this Act, the Secretary of the Treasury  
23                  shall submit a plan to the Committees on Appropria-  
24                  tions of the House of Representatives and the Sen-  
25                  ate detailing the expected use of the funds provided

1 by paragraph (1)(A). Beginning 90 days after enact-  
2 ment of this Act, the Secretary of the Treasury shall  
3 submit a quarterly report to the Committees on Ap-  
4 propriations of the House of Representatives and the  
5 Senate detailing the actual expenditure of funds pro-  
6 vided by paragraph (1)(A) and the expected expendi-  
7 ture of such funds in the subsequent quarter.

8 (g) CONFORMING AMENDMENTS.—

9 (1) Paragraph (2) of section 1324(b) of title  
10 31, United States Code, is amended by inserting  
11 “6428A,” after “6428,”.

12 (2) The table of sections for subchapter B of  
13 chapter 65 of subtitle F of the Internal Revenue  
14 Code of 1986 is amended by inserting after the item  
15 relating to section 6428 the following:

“Sec. 6428A. Additional recovery Rebates for individuals.”.