

## **A BILL**

To amend the Internal Revenue Code of 1986 to exclude from gross income certain compensation of food and agriculture employees of the United States during the COVID-19 national emergency and exempt payroll taxes for lower income earners.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### **SECTION 1. SHORT TITLE.**

This Act may be cited as the “Assistance and Gratitude for Coronavirus Heroes in Agribusiness who are Invaluable to the Nation or the AG CHAIN Act”.

### **SEC. 2. DEFINITIONS.**

(a) **ESSENTIAL FOOD AND AGRICULTURE EMPLOYEE.** —

(1) **Qualified Employee.**—The term ‘qualified employee’ means an employee who is working on the employer's premises, on duty performing tasks on the premises of a client or customer, including travel to and from those locations, or at a prescribed work place that is not their home or a remote site, who is also an essential food and agriculture employee as defined in subparagraph (2).

(2) **ESSENTIAL FOOD AND AGRICULTURE EMPLOYEE.**—The term ‘essential food and agriculture employee’ means —

(A) employees who meets the definition of essential food and agriculture workforce under the Food and Agriculture section identified on April 17, 2020 by Cybersecurity and Infrastructure Security Agency of the Department of Homeland Security, and as updated by that agency subsequently, or

(B) any individual who provides services at a business that is assigned a North American Industry Classification System code beginning with 4451, 4471, or 4247, and which is located in a county that has at least one confirmed case of COVID-19.

### **SEC. 3. EXCLUSION FROM GROSS INCOME FOR CERTAIN COMPENSATION OF FRONT-LINE EMPLOYEES FOR ESSENTIAL INDUSTRIES DURING THE COVID-19 NATIONAL EMERGENCY.**

(a) **IN GENERAL.** — Gross income shall not include compensation, as defined in section 3121(a), or wages, as defined in section 3231(e), paid to an essential food and agricultural employee for services performed as a qualified employee. This exclusion from gross income shall be limited to \$6,250 of compensation or wages paid to the qualified employee per month.

- (b) APPLICATION. — This exclusion from income shall be applied in a manner like Section 112 of the Internal Revenue Code of 1986 (relating to certain combat zone compensation of members of the Armed Forces).

#### **SEC. 4. TEMPORARY SUSPENSION OF PAYROLL TAXES UP TO A CAP.**

- (a) IN GENERAL.— Notwithstanding any other provision of law, with respect to compensation, as defined in section 3121(a), received by a qualified employee, the rate of tax under 3101(a) of such Code shall be 0 percent (including for purposes of determining the applicable percentage under sections 3201(a) and 3211(a)(1) of such Code).
- (b) PAYROLL RELIEF CAPPED AT \$75,000 IN WAGES. — Subsection (a) shall only apply to wages (as defined in section 3121(a) of such Code) from an employer up to 75,000.
- (c) EMPLOYER NOTIFICATION. —The Secretary of the Treasury shall notify employers of the payroll tax suspension period in any manner the Secretary deems appropriate.

#### **SEC. 5. TRANSFERS OF FUNDS.**

- (a) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.— There are hereby appropriated to the Federal Old Age and Survivors Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of the application of Section (4). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund had such amendments not been enacted.
- (b) TRANSFERS TO SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—There are hereby appropriated to the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(a)) amounts equal to the reduction in revenues to the Treasury by reason of the application of Section (4). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Account had such amendments not been enacted.
- (c) COORDINATION WITH OTHER FEDERAL LAWS.—For purposes of applying any provision of Federal law other than the provisions of the Internal Revenue Code of 1986, the rate of tax in effect under section 3101(a) of such Code shall be determined without regard to the reduction in such rate under this section.

#### **SEC. 6. EFFECTIVE DATE.**

- (a) EFFECTIVE DATE. —The amendments made by these sections shall apply to compensation and wages paid beginning on February 15, 2020 until June 15, 2020.

(b) EXTENSION.— The Secretary of the Treasury (or the Secretary’s delegate) may extend the applicable period for a period not to exceed three (3) additional calendar months if the Secretary (or the Secretary’s delegate) determines that the emergency related to COVID-19 is likely to be ongoing during such period.