To provide an exclusion from gross income for certain workers, and for other purposes.

A BILL

To provide an exclusion from gross income for certain workers, and for other purposes.

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 Act” or the “AG CHAIN Act”.

SEC. 2. DEFINITIONS.

For purposes of this Act—
(1) QUALIFIED EMPLOYEE.—The term “qualified employee” means any individual who is—

(A) an essential food and agriculture employee, and

(B) working on his or her employer’s premises or on duty delivering to customers or performing tasks on the premises of a customer, traveling to and from such locations, or otherwise at a prescribed work place that is not his or her home or a remote worksite.

(2) ESSENTIAL FOOD AND AGRICULTURE EMPLOYEE.—The term “essential food and agriculture employee” means—

(A) an employee who provides services at a business that—

(i) is assigned a North American Industry Classification System code beginning with 4451, 4471, 4247, 7225, 72233, 722330, 72331, or 722310, and

(ii) is located in a county that has at least one confirmed case of COVID–19, or

(B) an employee identified as a member of the food and agriculture workforce in the guidance issued by the Cybersecurity and Infrastructure Security Agency on April 17, 2020,

SEC. 3. EXCLUSION FROM GROSS INCOME FOR CERTAIN WORKERS.

(a) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income shall not include specified income of any qualified employee.

(b) LIMITATION.—The aggregate amount not included in the gross income of any individual by reason of subsection (a) shall not exceed $25,000.

(c) APPLICABLE PERIOD.—The term “applicable period” means the period beginning on February 15, 2020, and ending on June 15, 2020.

(d) SPECIFIED INCOME.—For purposes of this section, the term “specified income” means—

(1) if the services described in section 1(2) are provided as an employee, the wages (as defined in section 3121(a) of the Internal Revenue Code of 1986 determined without regard to paragraph (1) thereof) received by the qualified employee for the applicable period, and

(2) in any other case, the income of the qualified employee which is properly allocable to the serv-
ices described in section 1(2) which are provided by
such qualified employee during the applicable period.

(c) EXTENSION.—The Secretary of the Treasury (or
the Secretary’s delegate) may extend the applicable period
for a period not to exceed 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. If such period is so extended,
the dollar amount in subsection (b) shall be increased by
$6,250 for each month of such extension (and a like rate
of increase with respect to any extension which is not a
whole number of months).

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

(a) IN GENERAL.—Notwithstanding any other provi-
sion of law, with respect to so much of the total wages
(as defined in section 3121(a) of the Internal Revenue
Code of 1986) of the qualified employees of an employer
as does not exceed $75,000—

(1) with respect to any taxable year which be-
gins in the payroll tax suspension period, the rate of
tax under section 1401(a) of the Internal Revenue
Code of 1986 shall be 0 percent,

(2) with respect to remuneration received for
pay periods ending during the payroll tax suspension
period, 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), and

(3) with respect to remuneration paid for pay periods ending during the payroll tax suspension period, the rate of tax under section 3111(a) of such Code shall be 0 percent (including for purposes of determining the applicable percentage under section 3221(a) of such Code).

(b) PAYROLL TAX SUSPENSION PERIOD.—The term “payroll tax suspension period” means the period beginning on February 15, 2020, and ending on June 15, 2020.

(e) EMPLOYER NOTIFICATION.—The Secretary of the Treasury (or the Secretary’s delegate) shall notify employers of the payroll tax suspension period in any manner the Secretary (or the Secretary’s delegate) deems appropriate.

(d) EXTENSION.—The Secretary of the Treasury (or the Secretary’s delegate) may extend the payroll tax suspension period for a period not to exceed 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. If such period is so extended, the dollar amount in subsection (a)
shall be increased by $18,750 for each month of such ex-
tension (and a like rate of increase with respect to any
extension which is not a whole number of months).

(c) Transfer of Funds.—

(1) 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 In-
surance 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 subsection (a).
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 ex-
tent possible the transfers which would have oc-
curred to such Trust Fund had such amendments
not been enacted.

(2) Transfers to Social Security Equiva-
 lent Benefit Account.—There are hereby appro-
 priated to the Social Security Equivalent Benefit Ac-
count established under section 15A(a) of the Rail-
road 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 subsection
(a). 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.

(3) 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. 5. EFFECTIVE DATE.

This Act shall apply to taxable years beginning after December 31, 2019.