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(Original Signature of Member)

116TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to increase the differential wage payment credit.

IN THE HOUSE OF REPRESENTATIVES

Mr. PANETTA introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to increase the differential wage payment credit.

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 “Reservist Pay Equity
5 Act of 2020”.

1 **SEC. 2. EXPANSION OF EMPLOYER WAGE CREDIT FOR EM-**
2 **PLOYEES WHO ARE ACTIVE DUTY MEMBERS**
3 **OF THE UNIFORMED SERVICES.**

4 (a) INCREASE IN DIFFERENTIAL WAGE PAYMENT
5 CREDIT.—Section 45P(a) of the Internal Revenue Code
6 of 1986 is amended by striking “20 percent” and inserting
7 “50 percent”.

8 (b) ADJUSTMENT FOR INFLATION.—Section 45P(b)
9 of such Code is amended by adding at the end the fol-
10 lowing new paragraph:

11 “(4) ADJUSTMENT FOR INFLATION.—In the
12 case of any taxable year beginning after 2021, the
13 \$20,000 amount in paragraph (1) shall be increased
14 by an amount equal to—

15 “(A) such dollar amount, multiplied by

16 “(B) the cost-of-living adjustment deter-
17 mined under section 1(f)(3) for the calendar
18 year in which the taxable year begins, by sub-
19 stituting ‘calendar year 2020’ for ‘calendar year
20 1996’ in subparagraph (A)(ii) thereof.

21 If the amount as increased under the preceding sen-
22 tence is not a multiple of \$100, such amount shall
23 be rounded to the nearest multiple of \$100.”

24 (c) EFFECTIVE DATE.—The amendments made by
25 this section shall apply to payments made after December
26 31, 2020.