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.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Reservist Pay Equity Act of 2020”.
SEC. 2. EXPANSION OF EMPLOYER WAGE CREDIT FOR EMPLOYEES WHO ARE ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.

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

(b) ADJUSTMENT FOR INFLATION.—Section 45P(b) of such Code is amended by adding at the end the following new paragraph:

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

“(A) such dollar amount, multiplied by

“(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting ‘calendar year 2020’ for ‘calendar year 1996’ in subparagraph (A)(ii) thereof.

If the amount as increased under the preceding sentence is not a multiple of $100, such amount shall be rounded to the nearest multiple of $100.”

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