

110TH CONGRESS
2D SESSION

H. R. 7339

To exclude six months of earnings in 2009 from Federal income and payroll taxes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 10, 2008

Mr. SHADEGG (for himself, Mr. BROUN of Georgia, Mr. GOHMERT, Mr. BURTON of Indiana, Mr. WESTMORELAND, Mr. GARRETT of New Jersey, Mr. SALL, and Mrs. BACHMANN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To exclude six months of earnings in 2009 from Federal income and payroll taxes, and for other purposes.

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 “Taxpayer Holiday Act
5 for 2009”.

6 **SEC. 2. REDUCTION IN FEDERAL INCOME TAX FOR 2009.**

7 In the case of an individual, for purposes of applying
8 the Internal Revenue Code of 1986 for the first taxable
9 year beginning in 2009—

1 (1) the taxable income of the taxpayer shall be
2 reduced (but not below zero) by the lesser of—

3 (A) the sum of—

4 (i) all remuneration for services per-
5 formed during the first 6 months of such
6 taxable year by the employee for his em-
7 ployer, including the cash value of all re-
8 muneration (including benefits) paid in
9 any medium other than cash, and

10 (ii) self-employment income (as de-
11 fined in section 1402 of such Code) for
12 services performed during the first 6
13 months of such taxable year, and

14 (B) \$125,000 (\$250,000 in the case of a
15 joint return),

16 (2) each rate of tax on such taxable income (de-
17 termined without regard to paragraph (1)) in excess
18 of \$125,000 (\$250,000 in the case of a joint return)
19 shall be reduced by 5 percentage points, and

20 (3) in the case of a taxpayer whose taxable in-
21 come does not exceed \$125,000 (\$250,000 in the
22 case of a joint return) for such taxable year—

23 (A) section 3101 of such Code shall be ap-
24 plied by excluding wages (as defined in section
25 3121(a) of such Code) received with respect to

1 employment during the first 6 months of such
2 taxable year, and

3 (B) section 1401 of such Code shall be ap-
4 plied by excluding self-employment income (as
5 so defined) for services performed during the
6 first 6 months of such taxable year.

7 Any credit arising by reason of paragraph (3) shall be
8 treated as a credit under section 31(b) of such Code.

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