

118TH CONGRESS
1ST SESSION

H. R. 3566

To amend the Internal Revenue Code of 1986 to allow individuals to avoid a penalty for failure to pay income tax by timely paying 125 percent of the income tax liability for the prior year.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2023

Ms. CHU (for herself and Mr. CAREY) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to allow individuals to avoid a penalty for failure to pay income tax by timely paying 125 percent of the income tax liability for the prior year.

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 “Simplify Automatic
5 Filing Extensions Act” or the “SAFE Act”.

1 **SEC. 2. NO PENALTY FOR FAILURE TO PAY INCOME TAX**
2 **FOR INDIVIDUALS WHO TIMELY PAY 125 PER-**
3 **CENT OF INCOME TAX LIABILITY FOR PRIOR**
4 **YEAR.**

5 (a) IN GENERAL.—Section 6651(c) of the Internal
6 Revenue Code of 1986 is amended by adding at the end
7 the following new paragraph:

8 “(3) NO PENALTY FOR FAILURE TO PAY IN-
9 COME TAX FOR INDIVIDUALS WHO TIMELY PAY 125
10 PERCENT OF INCOME TAX LIABILITY FOR PRIOR
11 YEAR.—

12 “(A) IN GENERAL.—Subsection (a)(2)
13 shall not apply with respect to an income tax
14 return of an individual if such individual pays,
15 on or before the date prescribed for the pay-
16 ment of the tax with respect to which such re-
17 turn relates (determined with regard to any ex-
18 tension of time for payment), 125 percent of
19 the amount of tax required to be shown on the
20 income tax return of such individual for the im-
21 mediately preceding taxable year.

22 “(B) FAILURE TO FILE; SHORT TAXABLE
23 YEARS.—If the individual did not file an income
24 tax return for the immediately preceding tax-
25 able year referred to in subparagraph (A), or if

1 such taxable year was less than 12 months,
2 subparagraph (A) shall not apply.

3 “(C) JOINT RETURNS.—In the case of a
4 joint return, if the taxpayer did not file a joint
5 return for the immediately preceding taxable
6 year referred to in subparagraph (A), the
7 amounts required to be shown on the income
8 tax returns of both spouses for such imme-
9 diately preceding taxable year shall be taken
10 into account under subparagraph (A). Except
11 as otherwise provided by the Secretary, if the
12 individual does not file a joint return for the
13 taxable year to which subparagraph (A) applies
14 and filed a joint return for the immediately pre-
15 ceeding taxable year, the entire amount of tax
16 required to be shown on such joint return shall
17 be taken into account under subparagraph (A).

18 “(D) EXCEPTION NOT APPLICABLE IN
19 CERTAIN CASES OF INCREASED PENALTY.—
20 Subparagraph (A) shall not apply with respect
21 to any period beginning after the day described
22 in subsection (d)(2).”.

23 (b) CONFORMING AMENDMENT.—The heading of sec-
24 tion 6651(c) of such Code is amended by striking “RULE”
25 and inserting “RULES”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2022.

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