

118TH CONGRESS
1ST SESSION

H. R. 2978

To amend the Internal Revenue Code of 1986 to exclude from gross income any interest paid on an overpayment of tax in the case of an individual or small business.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2023

Ms. SPANBERGER (for herself and Mrs. KIM of California) 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 exclude from gross income any interest paid on an overpayment of tax in the case of an individual or small business.

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 “Cutting Paperwork for
5 Taxpayers Act”.

6 **SEC. 2. INTEREST RECEIVED ON OVERPAYMENTS.**

7 (a) IN GENERAL.—Part III of subchapter B of chap-
8 ter 1 of the Internal Revenue Code of 1986 is amended
9 by inserting before section 140 the following new section:

1 **“SEC. 139J. INTEREST RECEIVED ON TAX OVERPAYMENTS.**

2 “**In the case of an individual or an eligible small busi-**
3 **ness described in section 44(b)(1), gross income shall not**
4 **include any interest allowed and paid upon an overpay-**
5 **ment of tax pursuant to section 6611.”.**

6 **(b) CLERICAL AMENDMENT.—**The table of contents
7 for Part III of subchapter B of chapter 1 of the Internal
8 Revenue Code of 1986 is amended by inserting before the
9 item relating to section 140 the following new item:

 “139J. Interest received on tax overpayments.”.

10 **(c) EFFECTIVE DATE.—**The amendments made by
11 this section shall apply to taxable years beginning after
12 the date of the enactment of this section.

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