II

119TH CONGRESS
1ST SESSION

S. 1046

To amend the Internal Revenue Code of 1986 to exclude overtime compensation from gross income for purposes of the income tax.

IN THE SENATE OF THE UNITED STATES

MARCH 13, 2025

Mr. HAWLEY introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to exclude overtime compensation from gross income for purposes of the income tax.

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

SECTION 1. SHORT TITLE.

This Act may be cited as the ''No Tax On Overtime Act of 2025''.

SEC. 2. EXCLUSION OF OVERTIME COMPENSATION FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 139I the following new section:

"SEC. 139J. OVERTIME COMPENSATION.

"Gross income shall not include overtime compensation required under section 7 of the Fair Labor Standards Act of 1938.".

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 of such Code is amended by inserting after the item relating to section 139I the following new item:

"Sec. 139J. Overtime compensation.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after the date of the enactment of this Act.

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