

119TH CONGRESS  
1ST SESSION

# H. R. 990

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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 5, 2025

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

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## 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.—Subparagraph (A) shall not apply—

24 “(i) if the individual does not file an  
25 income tax return for the taxable year de-  
26 scribed in subparagraph (A) on or before

1           the date prescribed therefor (determined  
2           with regard to any extension of time for  
3           filing),

4           “(ii) if the individual did not file an  
5           income tax return for the immediately pre-  
6           ceding taxable year referred to in subpara-  
7           graph (A), or

8           “(iii) if the immediately preceding  
9           taxable year referred to in subparagraph  
10          (A) was less than 12 months.

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

1           “(D) EXCEPTION NOT APPLICABLE UN-  
2           LESS ADDITIONAL PAYMENTS ARE MADE WITH  
3           TIMELY FILED RETURN.—Subparagraph (A)  
4           shall not apply with respect to any period be-  
5           ginning after the earlier of—

6                   “(i) the date prescribed for filing the  
7                   income tax return for the taxable year (in-  
8                   cluding extensions thereof), or

9                   “(ii) the date on which such return  
10                  was filed.”.

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

14          (c) EFFECTIVE DATE.—The amendments made by  
15          this section shall apply to taxable years beginning after  
16          December 31, 2024.

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