

S 700

NEW GIG Act of 2019

Congress: 116 (2019–2021, Ended)

Chamber: Senate

Policy Area: Taxation

Introduced: Mar 7, 2019

Current Status: Read twice and referred to the Committee on Finance.

Latest Action: Read twice and referred to the Committee on Finance. (Mar 7, 2019)

Official Text: <https://www.congress.gov/bill/116th-congress/senate-bill/700>

Sponsor

Name: Sen. Thune, John [R-SD]

Party: Republican • **State:** SD • **Chamber:** Senate

Cosponsors

No cosponsors are listed for this bill.

Committee Activity

Committee	Chamber	Activity	Date
Finance Committee	Senate	Referred To	Mar 7, 2019

Subjects & Policy Tags

Policy Area:

Taxation

Related Bills

Bill	Relationship	Last Action
116 HR 1625	Identical bill	Mar 7, 2019: Referred to the House Committee on Ways and Means.

New Economy Works to Guarantee Independence and Growth Act of 2019 or the NEW GIG Act of 2019

This bill establishes a test for determining if a service provider should be classified as an independent contractor rather than as an employee for tax purposes.

If the requirements of the test are met, the provider may not be treated as an employee, the recipient or any payor may not be treated as an employer, and compensation for the service may not be treated as paid or received with respect to employment.

The factors of the test include

- the relationship between the parties (i.e., the provider incurs expenses; does not work exclusively for a single recipient; performs the service for a particular amount of time, to achieve a specific result, or to complete a specific task; or is a sales person compensated primarily on a commission basis);
- the place of business or ownership of the equipment (i.e., the provider has a principal place of business, does not work primarily at the recipient's place of business, and provides tools or supplies); and
- the performance of the services under a written contract that meets certain requirements (i.e., specifies that the provider is not an employee, the recipient will satisfy withholding and reporting requirements, and that the provider is responsible for taxes on the compensation).

The bill also (1) sets forth withholding and reporting requirements for service recipients who meet the requirements of the test, and (2) allows service providers to petition the U.S. Tax Court for a determination of employment status.

Actions Timeline

- **Mar 7, 2019:** Introduced in Senate
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