

119TH CONGRESS
1ST SESSION

H. R. 405

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

IN THE HOUSE OF REPRESENTATIVES

JANUARY 15, 2025

Mr. FULCHER (for himself and Mr. RULLI) 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 overtime compensation from gross income for purposes of the income tax.

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 “Keep Every Extra
5 Penny Act of 2025”.

6 **SEC. 2. EXCLUSION OF OVERTIME COMPENSATION FROM**
7 **GROSS INCOME.**

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

1 **“SEC. 139J. OVERTIME COMPENSATION.**

2 “Gross income shall not include overtime compensa-
3 tion required under section 7 of the Fair Labor Standards
4 Act of 1938.”.

5 (b) CLERICAL AMENDMENT.—The table of sections
6 for part III of subchapter B of chapter 1 of such Code
7 is amended by inserting after the item relating to section
8 139I the following new item:

“Sec. 139J. Overtime compensation.”.

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

○