

[111H4620]

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(Original Signature of Member)

113TH CONGRESS
1ST SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to encourage hiring unemployed individuals.

IN THE HOUSE OF REPRESENTATIVES

Mr. MCNERNEY introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to encourage
hiring unemployed individuals.

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 “Small Business Relief
5 and Job Creation Act”.

1 **SEC. 2. TEMPORARY WORK OPPORTUNITY CREDIT FOR**
2 **SMALL BUSINESSES.**

3 (a) IN GENERAL.—Section 51 of the Internal Rev-
4 enue Code of 1986 is amended by adding at the end the
5 following new subsection:

6 “(l) SMALL BUSINESS CREDIT FOR HIRING CERTAIN
7 UNEMPLOYED INDIVIDUALS DURING 2014 AND 2015.—

8 “(1) IN GENERAL.—In the case of an eligible
9 unemployed individual who begins work for an eligi-
10 ble small business during 2014 or 2015, the tax-
11 payer may elect to treat such individual as a mem-
12 ber of a targeted group for purposes of this subpart,
13 subject to the modifications in paragraph (4) and in
14 lieu of treating such individual as a member of any
15 other targeted group.

16 “(2) ELIGIBLE SMALL BUSINESS.—For pur-
17 poses of this subsection, the term ‘eligible small
18 business’ means any person if—

19 “(A) either—

20 “(i) the gross receipts of such person
21 for the preceding taxable year did not ex-
22 ceed \$20,000,000, or

23 “(ii) in the case of a person to which
24 subparagraph (A) does not apply, such
25 person employed not more than 100 full-

1 time employees during the preceding tax-
2 able year, and

3 “(B) such person elects the application of
4 this section for the taxable year.

5 For purposes of subparagraph (A)(ii), an employee
6 shall be considered full-time if such employee is em-
7 ployed at least 30 hours per week for 35 or more
8 calendar weeks in the taxable year.

9 “(3) ELIGIBLE UNEMPLOYED INDIVIDUAL.—
10 For purposes of this section, the term ‘eligible un-
11 employed individual’ means any individual—

12 “(A) who is certified by the designated
13 local agency as being eligible to receive unem-
14 ployment compensation under State or Federal
15 law during the 1-year period ending on the hir-
16 ing date, or

17 “(B) whose employment with the employer
18 was terminated before January 1, 2014.

19 “(4) EMPLOYEE MUST BE FULL-TIME.—No
20 wages shall be taken into account with respect to
21 any individual for any taxable year unless such indi-
22 vidual is employed by the employer an average of at
23 least 30 hours per week in the taxable year (in the
24 case of the taxable year during which the individual

1 begins work, beginning with the day the individual
2 begins work).

3 “(5) MODIFICATIONS.—For purposes of this
4 subsection, the modifications described in this para-
5 graph are as follows:

6 “(A) PERCENTAGE OF WAGES.—Sub-
7 section (a) shall be applied—

8 “(i) in the case of wages paid or in-
9 curred by the employer during 2014, by
10 substituting ‘7.5 percent’ for ‘40 percent’,
11 and

12 “(ii) in the case of wages paid or in-
13 curred by the employer during 2015, by
14 substituting ‘5 percent’ for ‘40 percent’.

15 “(B) QUALIFIED WAGES DURING 2014 AND
16 2015 TAKEN INTO ACCOUNT.—Subsection (b)(2)
17 shall be applied by substituting ‘during 2014
18 and 2015’ for ‘during the 1-year period begin-
19 ning with the day the individual begins work for
20 the employer’.

21 “(C) \$75,000 WAGE LIMITATION.—Sub-
22 section (b)(3) shall be applied by substituting
23 ‘\$75,000’ for ‘\$6,000’.

24 “(D) DOUBLE CREDIT IN COUNTIES WITH
25 HIGH UNEMPLOYMENT.—

1 “(i) IN GENERAL.—In the case of an
2 employer located in a county which is a
3 high unemployment county for the month
4 during which the employee begins work for
5 the employer, clauses (i) and (ii) of sub-
6 paragraph (A) shall be applied by sub-
7 stituting ‘15 percent’ and ‘10 percent’ for
8 ‘7.5 percent’ and ‘5 percent’, respectively.

9 “(ii) HIGH UNEMPLOYMENT COUN-
10 TY.—For purposes of this subparagraph,
11 the term ‘high unemployment county’
12 means, with respect to any month, a coun-
13 ty for which the rate of unemployment ex-
14 ceeds the national rate of unemployment
15 (as determined by the Bureau of Labor
16 Statistics of the Department of Labor).

17 “(E) CREDIT TO APPLY FOR ALL 2014 AND
18 2015.—This subsection shall be applied without
19 regard to subsection (c)(4).

20 “(F) CERTAIN REHIRES ELIGIBLE.—
21 Subection (i)(2) shall not apply to an individual
22 whose employment with the employer was ter-
23 minated before January 1, 2014.”.

1 (b) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to employees hired after December
3 31, 2013.