

107TH CONGRESS
1ST SESSION

H. R. 508

To amend the Internal Revenue Code of 1986 to allow individuals a refundable credit based on their earned income.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2001

Mr. LAFALCE (for himself, Mr. GUTIERREZ, Mr. SANDLIN, Mr. GONZALEZ, Mrs. JONES of Ohio, and Mr. CAPUANO) 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 allow individuals a refundable credit based on their earned income.

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 “Worker’s Income Tax
5 Credit Act of 2001”.

6 **SEC. 2. REFUNDABLE CREDIT FOR INDIVIDUALS BASED ON**
7 **EARNED INCOME.**

8 (a) GENERAL RULE.—Subpart C of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of
10 1986 (relating to refundable credits) is amended by redess-

1 ignating section 35 as section 36 and by inserting after
2 section 34 the following new section:

3 **“SEC. 35. WORKER CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
5 dividual, there shall be allowed as a credit against the tax
6 imposed by this subtitle for the taxable year the amount
7 equal to 6.2 percent of the sum of—

8 “(1) the individual’s wages, salaries, tips, and
9 other employee compensation includible in gross in-
10 come, plus

11 “(2) the individual’s earned income (as defined
12 in section 401(c)(2)).

13 “(b) LIMITATION.—The amount allowed as a credit
14 under subsection (a) to an individual for any taxable year
15 shall not exceed \$350.”

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 1324(b)(2) of title 31, United
18 States Code, is amended by inserting “or from sec-
19 tion 35 of such Code,” after “1978,”.

20 (2) The table of sections for subpart C of part
21 IV of subchapter A of chapter 1 of the Internal Rev-
22 enue Code of 1986 is amended by striking the last
23 item and inserting the following new items:

“Sec. 35. Worker credit.
“Sec. 36. Overpayments of tax.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 the date of the enactment of this Act.

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