

107TH CONGRESS
1ST SESSION

S. 1791

To amend the Internal Revenue Code of 1986 to provide for economic security and recovery, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 10, 2001

Mr. DOMENICI introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide for economic security and recovery, and for other purposes.

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; ETC.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Economic Security and Recovery Act of 2001”.

6 (b) REFERENCES TO INTERNAL REVENUE CODE OF
7 1986.—Except as otherwise expressly provided, whenever
8 in this Act an amendment or repeal is expressed in terms
9 of an amendment to, or repeal of, a section or other provi-
10 sion, the reference shall be considered to be made to a

1 section or other provision of the Internal Revenue Code
2 of 1986.

3 (c) TABLE OF CONTENTS.—

Sec. 1. Short title; etc.

TITLE I—BUSINESS PROVISIONS

Sec. 101. Special depreciation allowance for certain property acquired after
September 10, 2001, and before September 11, 2004.

TITLE II—PAYROLL TAX HOLIDAY

Sec. 201. Payroll tax holiday.

TITLE III—TEMPORARY EMERGENCY UNEMPLOYMENT
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Sec. 301. Federal-State agreements.

Sec. 302. Temporary emergency unemployment compensation account.

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emergency unemployment compensation.

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4 **TITLE I—BUSINESS PROVISIONS**

5 **SEC. 101. SPECIAL DEPRECIATION ALLOWANCE FOR CER-**
6 **TAIN PROPERTY ACQUIRED AFTER SEP-**
7 **TEMBER 10, 2001, AND BEFORE SEPTEMBER**
8 **11, 2004.**

9 (a) IN GENERAL.—Section 168 (relating to acceler-
10 ated cost recovery system) is amended by adding at the
11 end the following new subsection:

12 “(k) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY
13 ACQUIRED AFTER SEPTEMBER 10, 2001, AND BEFORE
14 SEPTEMBER 11, 2004.—

15 “(1) ADDITIONAL ALLOWANCE.—In the case of
16 any qualified property—

1 “(A) the depreciation deduction provided
 2 by section 167(a) for the taxable year in which
 3 such property is placed in service shall include
 4 an allowance equal to 20 percent of the ad-
 5 justed basis of the qualified property, and

6 “(B) the adjusted basis of the qualified
 7 property shall be reduced by the amount of
 8 such deduction before computing the amount
 9 otherwise allowable as a depreciation deduction
 10 under this chapter for such taxable year and
 11 any subsequent taxable year.

12 “(2) QUALIFIED PROPERTY.—For purposes of
 13 this subsection—

14 “(A) IN GENERAL.—The term ‘qualified
 15 property’ means property—

16 “(i)(I) to which this section applies
 17 which has a recovery period of 20 years or
 18 less or which is water utility property, or

19 “(II) which is computer software (as
 20 defined in section 167(f)(1)(B)) for which
 21 a deduction is allowable under section
 22 167(a) without regard to this subsection,

23 “(ii) the original use of which com-
 24 mences with the taxpayer after September
 25 10, 2001,

1 “(iii) which is—

2 “(I) acquired by the taxpayer
3 after September 10, 2001, and before
4 September 11, 2004, but only if no
5 written binding contract for the acqui-
6 sition was in effect before September
7 11, 2001, or

8 “(II) acquired by the taxpayer
9 pursuant to a written binding contract
10 which was entered into after Sep-
11 tember 10, 2001, and before Sep-
12 tember 11, 2004, and

13 “(iv) which is placed in service by the
14 taxpayer before January 1, 2005.

15 “(B) EXCEPTIONS.—

16 “(i) ALTERNATIVE DEPRECIATION
17 PROPERTY.—The term ‘qualified property’
18 shall not include any property to which the
19 alternative depreciation system under sub-
20 section (g) applies, determined—

21 “(I) without regard to paragraph
22 (7) of subsection (g) (relating to elec-
23 tion to have system apply), and

1 “(II) after application of section
 2 280F(b) (relating to listed property
 3 with limited business use).

4 “(ii) ELECTION OUT.—If a taxpayer
 5 makes an election under this clause with
 6 respect to any class of property for any
 7 taxable year, this subsection shall not
 8 apply to all property in such class placed
 9 in service during such taxable year.

10 “(iii) REPAIRED OR RECONSTRUCTED
 11 PROPERTY.—Except as otherwise provided
 12 in regulations, the term ‘qualified property’
 13 shall not include any repaired or recon-
 14 structed property.

15 “(iv) QUALIFIED LEASEHOLD IM-
 16 PROVEMENT PROPERTY.—The term ‘quali-
 17 fied property’ shall not include any quali-
 18 fied leasehold improvement property (as
 19 defined in section 168(e)(6)).

20 “(C) SPECIAL RULES RELATING TO ORIGI-
 21 NAL USE.—

22 “(i) SELF-CONSTRUCTED PROP-
 23 erty.—In the case of a taxpayer manufac-
 24 turing, constructing, or producing property
 25 for the taxpayer’s own use, the require-

ments of clause (iii) of subparagraph (A) shall be treated as met if the taxpayer begins manufacturing, constructing, or producing the property after September 10, 2001, and before September 11, 2004.

“(ii) SALE-LEASEBACKS.—For purposes of subparagraph (A)(ii), if property—

“(I) is originally placed in service after September 10, 2001, by a person, and

“(II) sold and leased back by such person within 3 months after the date such property was originally placed in service,

such property shall be treated as originally placed in service not earlier than the date on which such property is used under the leaseback referred to in subclause (II).

“(D) COORDINATION WITH SECTION 280F.—For purposes of section 280F—

“(i) AUTOMOBILES.—In the case of a passenger automobile (as defined in section 280F(d)(5)) which is qualified property,

1 the Secretary shall increase the limitation
 2 under section 280F(a)(1)(A)(i) by \$4,600.

3 “(ii) LISTED PROPERTY.—The deduc-
 4 tion allowable under paragraph (1) shall be
 5 taken into account in computing any re-
 6 capture amount under section
 7 280F(b)(2).”

8 (b) ALLOWANCE AGAINST ALTERNATIVE MINIMUM
 9 TAX.—

10 (1) IN GENERAL.—Section 56(a)(1)(A) (relat-
 11 ing to depreciation adjustment for alternative min-
 12 imum tax) is amended by adding at the end the fol-
 13 lowing new clause:

14 “(iii) ADDITIONAL ALLOWANCE FOR
 15 CERTAIN PROPERTY ACQUIRED AFTER SEP-
 16 TEMBER 10, 2001, AND BEFORE SEP-
 17 TEMBER 11, 2004.—The deduction under
 18 section 168(k) shall be allowed.”

19 (2) CONFORMING AMENDMENT.—Clause (i) of
 20 section 56(a)(1)(A) is amended by striking “clause
 21 (ii)” both places it appears and inserting “clauses
 22 (ii) and (iii)”.

23 (c) EFFECTIVE DATE.—The amendments made by
 24 this section shall apply to property placed in service after

1 September 10, 2001, in taxable years ending after such
 2 date.

3 **TITLE II—PAYROLL TAX** 4 **HOLIDAY**

5 **SEC. 201. PAYROLL TAX HOLIDAY.**

6 (a) IN GENERAL.—Notwithstanding any other provi-
 7 sion of law, the rate of tax with respect to remuneration
 8 received during the payroll tax holiday period shall be zero
 9 under sections 1401(a), 3101(a), and 3111(a) of the In-
 10 ternal Revenue Code of 1986 and for purposes of deter-
 11 mining the applicable percentage under section 3201(a),
 12 3211(a)(1), and 3221(a) of such Code.

13 (b) PAYROLL TAX HOLIDAY PERIOD.—The term
 14 “payroll tax holiday period” means the period beginning
 15 after November 30, 2001, and ending before January 1,
 16 2002.

17 (c) EMPLOYER NOTIFICATION.—The Secretary of the
 18 Treasury shall notify employers of the payroll tax holiday
 19 period in any manner the Secretary deems appropriate.

20 (d) TRANSFER OF FUNDS.—The Secretary of the
 21 Treasury shall transfer from the general revenues of the
 22 Federal Government an amount sufficient so as to ensure
 23 that the income and balances of the trust funds under sec-
 24 tion 201 of the Social Security Act and the Social Security
 25 Equivalent Benefit Account under section 15A of the Rail-

road Retirement Act of 1974 (45 U.S.C. 231n–1) are not reduced as a result of the application of subsection (a).

(e) DETERMINATION OF BENEFITS.—In making any determination of benefits under title II of the Social Security Act, the Commissioner of Social Security shall disregard the effect of the payroll tax holiday period on any individual’s earnings record.

TITLE III—TEMPORARY EMERGENCY UNEMPLOYMENT BENEFITS

SEC. 301. FEDERAL-STATE AGREEMENTS.

(a) IN GENERAL.—Any State which desires to do so may enter into and participate in an agreement under this title with the Secretary of Labor (in this title referred to as the “Secretary”). Any State which is a party to an agreement under this title may, upon providing 30 days written notice to the Secretary, terminate such agreement.

(b) PROVISIONS OF AGREEMENT.—

(1) IN GENERAL.—Any agreement under subsection (a) shall provide that the State agency of the State will make—

(A) payments of regular compensation to individuals in amounts and to the extent that such payments would be determined if the State

1 law were applied with the modifications de-
2 scribed in paragraph (2); and

3 (B) payments of temporary emergency un-
4 employment compensation to individuals who—

5 (i) have exhausted all rights to reg-
6 ular compensation under the State law;

7 (ii) do not, with respect to a week,
8 have any rights to compensation (excluding
9 extended compensation) under the State
10 law of any other State (whether one that
11 has entered into an agreement under this
12 title or otherwise) nor compensation under
13 any other Federal law (other than under
14 the Federal-State Extended Unemployment
15 Compensation Act of 1970 (26 U.S.C.
16 3304 note)), and are not paid or entitled
17 to be paid any additional compensation
18 under any Federal or State law; and

19 (iii) are not receiving compensation
20 with respect to such week under the unem-
21 ployment compensation law of Canada.

22 (2) MODIFICATIONS DESCRIBED.—The modi-
23 fications described in this paragraph are as follows:

24 (A) ALTERNATIVE BASE PERIOD.—An in-
25 dividual shall be eligible for regular compensa-

tion if the individual would be so eligible, determined by applying—

(i) the base period that would otherwise apply under the State law if this title had not been enacted; or

(ii) a base period ending at the close of the calendar quarter most recently completed before the date of the individual's application for benefits, provided that wage data for that quarter has been reported to the State;

whichever results in the greater amount.

(B) PART-TIME EMPLOYMENT.—An individual shall not be denied regular compensation under the State law's provisions relating to availability for work, active search for work, or refusal to accept work, solely by virtue of the fact that such individual is seeking, or is available for, only part-time (and not full-time) work, if—

(i) the individual's employment on which eligibility for the regular compensation is based was part-time employment; or

1 (ii) the individual can show good
2 cause for seeking, or being available for,
3 only part-time (and not full-time) work.

4 (c) COORDINATION RULES.—

5 (1) REGULAR COMPENSATION PAYABLE UNDER
6 A FEDERAL LAW.—The modifications described in
7 subsection (b)(2) shall also apply in determining the
8 amount of benefits payable under any Federal law to
9 the extent that those benefits are determined by ref-
10 erence to regular compensation payable under the
11 State law of the State involved.

12 (2) TEUC TO SERVE AS SECOND-TIER BENE-
13 FITS.—Notwithstanding any other provision of law,
14 extended benefits shall not be payable to any indi-
15 vidual for any week for which temporary emergency
16 unemployment compensation is payable to such indi-
17 vidual.

18 (d) EXHAUSTION OF BENEFITS.—For purposes of
19 subsection (b)(1)(B)(i), an individual shall be considered
20 to have exhausted such individual's rights to regular com-
21 pensation under a State law when—

22 (1) no payments of regular compensation can
23 be made under such law because such individual has
24 received all regular compensation available to such

1 individual based on employment or wages during
2 such individual's base period; or

3 (2) such individual's rights to such compensa-
4 tion have been terminated by reason of the expira-
5 tion of the benefit year with respect to which such
6 rights existed.

7 (e) WEEKLY BENEFIT AMOUNT.—For purposes of
8 any agreement under this title—

9 (1) the amount of temporary emergency unem-
10 ployment compensation which shall be payable to an
11 individual for any week of total unemployment shall
12 be equal to the amount of regular compensation (in-
13 cluding dependents' allowances) payable to such in-
14 dividual under the State law for a week for total un-
15 employment during such individual's benefit year;

16 (2) the terms and conditions of the State law
17 which apply to claims for extended compensation
18 and to the payment thereof shall apply to claims for
19 temporary emergency unemployment compensation
20 and the payment thereof, except where inconsistent
21 with the provisions of this title or with the regula-
22 tions or operating instructions of the Secretary pro-
23 mulgated to carry out this title; and

24 (3) the maximum amount of temporary emer-
25 gency unemployment compensation payable to any

1 individual for whom a temporary emergency unem-
2 ployment compensation account is established under
3 section 302 shall not exceed the amount established
4 in such account for such individual.

5 (f) ELECTION BY STATES.—Notwithstanding any
6 other provision of Federal law (and if State law permits),
7 the Governor of a State is authorized and may elect to
8 trigger off an extended compensation period in order to
9 provide payment of temporary emergency unemployment
10 compensation to individuals who have exhausted their
11 rights to regular compensation under State law.

12 **SEC. 302. TEMPORARY EMERGENCY UNEMPLOYMENT COM-**
13 **PENSATION ACCOUNT.**

14 (a) IN GENERAL.—Any agreement under this title
15 shall provide that the State will establish, for each eligible
16 individual who files an application for temporary emer-
17 gency unemployment compensation, a temporary emer-
18 gency unemployment compensation account with respect
19 to such individual's benefit year.

20 (b) AMOUNT IN ACCOUNT.—

21 (1) IN GENERAL.—The amount established in
22 an account under subsection (a) shall be equal to 13
23 times the individual's average weekly benefit amount
24 for the benefit year.

1 (2) REDUCTION FOR EXTENDED BENEFITS.—

2 The amount in an account under paragraph (1)
 3 shall be reduced (but not below zero) by the aggre-
 4 gate amount of extended compensation (if any) re-
 5 ceived by such individual relating to the same ben-
 6 efit year under the Federal-State Extended Unem-
 7 ployment Compensation Act of 1970 (26 U.S.C.
 8 3304 note).

9 (3) WEEKLY BENEFIT AMOUNT.—For purposes
 10 of this subsection, an individual's weekly benefit
 11 amount for any week is the amount of regular com-
 12 pensation (including dependents' allowances) under
 13 the State law payable to such individual for such
 14 week for total unemployment.

15 **SEC. 303. PAYMENTS TO STATES HAVING AGREEMENTS FOR**
 16 **THE PAYMENT OF TEMPORARY EMERGENCY**
 17 **UNEMPLOYMENT COMPENSATION.**

18 (a) GENERAL RULE.—There shall be paid to each
 19 State which has entered into an agreement under this title
 20 an amount equal to—

21 (1) 100 percent of any regular compensation
 22 made payable to individuals by such State by virtue
 23 of the modifications which are described in section
 24 301(b)(2) and deemed to be in effect with respect to
 25 such State pursuant to section 301(b)(1)(A);

1 (2) 100 percent of any regular compensation—

2 (A) which is paid to individuals by such
3 State by reason of the fact that its State law
4 contains provisions comparable to the modifica-
5 tions described in subparagraphs (A) and (B)
6 of section 301(b)(2); but only

7 (B) to the extent that those amounts
8 would, if such amounts were instead payable by
9 virtue of the State law's being deemed to be so
10 modified pursuant to section 301(b)(1)(A), have
11 been reimbursable under paragraph (1); and

12 (3) 100 percent of the temporary emergency
13 unemployment compensation paid to individuals by
14 the State pursuant to such agreement.

15 (b) TREATMENT OF REIMBURSABLE COMPENSA-
16 TION.—No payment shall be made to any State under this
17 section in respect of any compensation to the extent the
18 State is entitled to reimbursement in respect of such com-
19 pensation under the provisions of any Federal law other
20 than this title or chapter 85 of title 5, United States Code.
21 A State shall not be entitled to any reimbursement under
22 such chapter 85 in respect of any compensation to the ex-
23 tent the State is entitled to reimbursement under this title
24 in respect of such compensation.

1 (c) DETERMINATION OF AMOUNT.—Sums under sub-
2 section (a) payable to any State by reason of such State
3 having an agreement under this title shall be payable, ei-
4 ther in advance or by way of reimbursement (as may be
5 determined by the Secretary), in such amounts as the Sec-
6 retary estimates the State will be entitled to receive under
7 this title for each calendar month, reduced or increased,
8 as the case may be, by any amount by which the Secretary
9 finds that the Secretary's estimates for any prior calendar
10 month were greater or less than the amounts which should
11 have been paid to the State. Such estimates may be made
12 on the basis of such statistical, sampling, or other method
13 as may be agreed upon by the Secretary and the State
14 agency of the State involved.

15 **SEC. 304. FINANCING PROVISIONS.**

16 (a) IN GENERAL.—There are appropriated such
17 funds as are necessary to make payments to States having
18 agreements entered into under this title.

19 (b) CERTIFICATION.—The Secretary shall from time
20 to time certify to the Secretary of the Treasury for pay-
21 ment to each State the sums payable to such State under
22 this title. The Secretary of the Treasury, prior to audit
23 or settlement by the General Accounting Office, shall
24 make payments to the State in accordance with such cer-
25 tification, by transfers from the extended unemployment

1 compensation account (as so established) to the account
2 of such State in the Unemployment Trust Fund (as so
3 established).

4 (c) ASSISTANCE TO STATES.—There are appro-
5 priated, without fiscal year limitation, such funds as may
6 be necessary for purposes of assisting States (as provided
7 in title III of the Social Security Act (42 U.S.C. 501 et
8 seq.) in meeting the costs of administration of agreements
9 under this title.

10 (d) APPROPRIATIONS FOR CERTAIN PAYMENTS.—
11 There are appropriated from the general fund of the
12 Treasury, without fiscal year limitation, such sums as the
13 Secretary estimates to be necessary to make the payments
14 under this section in respect of—

15 (1) compensation payable under chapter 85 of
16 title 5, United States Code; and

17 (2) compensation payable on the basis of serv-
18 ices to which section 3309(a)(1) of the Internal Rev-
19 enue Code of 1986 applies.

20 Amounts appropriated pursuant to the preceding sentence
21 shall not be required to be repaid.

22 **SEC. 305. FRAUD AND OVERPAYMENTS.**

23 (a) IN GENERAL.—If an individual knowingly has
24 made, or caused to be made by another, a false statement
25 or representation of a material fact, or knowingly has

1 failed, or caused another to fail, to disclose a material fact,
2 and as a result of such false statement or representation
3 or of such nondisclosure such individual has received an
4 amount of temporary emergency unemployment com-
5 pensation under this title to which he was not entitled,
6 such individual—

7 (1) shall be ineligible for further temporary
8 emergency unemployment compensation under this
9 title in accordance with the provisions of the applica-
10 ble State unemployment compensation law relating
11 to fraud in connection with a claim for unemploy-
12 ment compensation; and

13 (2) shall be subject to prosecution under section
14 1001 of title 18, United States Code.

15 (b) REPAYMENT.—In the case of individuals who
16 have received amounts of temporary emergency unemploy-
17 ment compensation under this title to which they were not
18 entitled, the State shall require such individuals to repay
19 the amounts of such emergency unemployment compensa-
20 tion to the State agency, except that the State agency may
21 waive such repayment if it determines that—

22 (1) the payment of such emergency unemploy-
23 ment compensation was without fault on the part of
24 any such individual; and

1 (2) such repayment would be contrary to equity
2 and good conscience.

3 (c) RECOVERY BY STATE AGENCY.—

4 (1) IN GENERAL.—The State agency may re-
5 cover the amount to be repaid, or any part thereof,
6 by deductions from any temporary emergency unem-
7 ployment compensation payable to such individual
8 under this title or from any unemployment com-
9 pensation payable to such individual under any Fed-
10 eral unemployment compensation law administered
11 by the State agency or under any other Federal law
12 administered by the State agency which provides for
13 the payment of any assistance or allowance with re-
14 spect to any week of unemployment, during the 3-
15 year period after the date such individuals received
16 the payment of the temporary emergency unemploy-
17 ment compensation to which they were not entitled,
18 except that no single deduction may exceed 50 per-
19 cent of the weekly benefit amount from which such
20 deduction is made.

21 (2) OPPORTUNITY FOR HEARING.—No repay-
22 ment shall be required, and no deduction shall be
23 made, until a determination has been made, notice
24 thereof and an opportunity for a fair hearing has

1 been given to the individual, and the determination
2 has become final.

3 (d) REVIEW.—Any determination by a State agency
4 under this section shall be subject to review in the same
5 manner and to the same extent as determinations under
6 the State unemployment compensation law, and only in
7 that manner and to that extent.

8 **SEC. 306. DEFINITIONS.**

9 In this title:

10 (1) IN GENERAL.—The terms “compensation”,
11 “regular compensation”, “extended compensation”,
12 “additional compensation”, “benefit year”, “base pe-
13 riod”, “State”, “State agency”, “State law”, and
14 “week” have the respective meanings given such
15 terms under section 205 of the Federal-State Ex-
16 tended Unemployment Compensation Act of 1970
17 (26 U.S.C. 3304 note), subject to paragraph (2).

18 (2) STATE LAW AND REGULAR COMPENSA-
19 TION.—In the case of a State entering into an
20 agreement under this title—

21 (A) “State law” shall be considered to
22 refer to the State law of such State, applied in
23 conformance with the modifications described in
24 section 301(b)(2); and

1 (B) “regular compensation” shall be con-
 2 sidered to refer to such compensation, deter-
 3 mined under its State law (applied in the man-
 4 ner described in subparagraph (A));
 5 except as otherwise provided or where the context
 6 clearly indicates otherwise.

7 **SEC. 307. APPLICABILITY.**

8 (a) IN GENERAL.—An agreement entered into under
 9 this title shall apply to weeks of unemployment—

10 (1) beginning no earlier than the first day of
 11 the first week after the date on which such agree-
 12 ment is entered into; and

13 (2) ending before the date that is 12 months
 14 after the date of enactment of this Act.

15 (b) SPECIFIC RULES.—

16 (1) IN GENERAL.—Under such an agreement,
 17 the following rules shall apply:

18 (A) ALTERNATIVE BASE PERIODS.—The
 19 modification described in section 301(b)(2)(A)
 20 (relating to alternative base periods) shall not
 21 apply except in the case of initial claims filed on
 22 or after the first day of the week that includes
 23 September 11, 2001.

24 (B) PART-TIME EMPLOYMENT.—The modi-
 25 fications described in section 301(b)(2)(B) (re-

1 lating to part-time employment) shall apply to
2 weeks of unemployment described in subsection
3 (a), regardless of the date on which an individ-
4 ual's initial claim for benefits is filed.

5 (C) ELIGIBILITY FOR TEUC.—The pay-
6 ments described in section 301(b)(1)(B) (relat-
7 ing to temporary emergency unemployment
8 compensation) shall not apply except in the case
9 of individuals exhausting their rights to regular
10 compensation (as described in clause (i) of such
11 section) on or after the first day of the week
12 that includes September 11, 2001.

13 (2) REAPPLICATION PROCESS.—

14 (A) ALTERNATIVE BASE PERIODS.—In the
15 case of an individual who filed an initial claim
16 for regular compensation on or after the first
17 day of the week that includes September 11,
18 2001, and before the date that the State en-
19 tered into an agreement under subsection (a)(1)
20 that was denied as a result of the application
21 of the base period that applied under the State
22 law prior to the date on which the State entered
23 into the such agreement, such individual—

24 (i) may refile a claim for regular com-
25 pensation based on the modification de-

scribed in section 301(b)(2)(A) (relating to alternative base periods) on or after the date on which the State enters into such agreement and before the date on which such agreement terminates; and

(ii) if eligible, shall be entitled to such compensation only for weeks of unemployment described in subsection (a) beginning on or after the date on which the individual files such claim.

(B) PART-TIME EMPLOYMENT.—In the case of an individual who before the date that the State entered into an agreement under subsection (a)(1) was denied regular compensation under the State law's provisions relating to availability for work, active search for work, or refusal to accept work, solely by virtue of the fact that such individual is seeking, or available for, only part-time (and not full-time) work, such individual—

(i) may refile a claim for regular compensation based on the modification described in section 301(b)(2)(B) (relating to part-time employment) on or after the date on which the State enters into the agree-

1 ment under subsection (a)(1) and before
2 the date on which such agreement termi-
3 nates; and

4 (ii) if eligible, shall be entitled to such
5 compensation only for weeks of unemploy-
6 ment described in subsection (a) beginning
7 on or after the date on which the indi-
8 vidual files such claim.

9 (3) NO RETROACTIVE PAYMENTS FOR WEEKS
10 PRIOR TO AGREEMENT.—No amounts shall be pay-
11 able to an individual under an agreement entered
12 into under this title for any week of unemployment
13 prior to the week beginning after the date on which
14 such agreement is entered into.

○