

114TH CONGRESS
1ST SESSION

H. R. 4178

To amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit and to allow small employers a credit against income tax for hiring individuals receiving unemployment compensation.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 3, 2015

Mr. LOWENTHAL (for himself, Ms. KUSTER, and Mr. CÁRDENAS) 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 extend the work opportunity tax credit and to allow small employers a credit against income tax for hiring individuals receiving unemployment compensation.

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 “American Unemployed
5 Worker Investment Act of 2015”.

1 **SEC. 2. EXTENSION OF WORK OPPORTUNITY TAX CREDIT.**

2 (a) IN GENERAL.—Section 51(c)(4) of the Internal
3 Revenue Code of 1986 is amended by striking “December
4 31, 2014” and inserting “December 31, 2017”.

5 (b) EFFECTIVE DATE.—The amendment made by
6 subsection (a) shall apply to individuals who begin work
7 for the employer after December 31, 2014.

8 **SEC. 3. CREDIT FOR EMPLOYERS WHO HIRE INDIVIDUALS**
9 **RECEIVING UNEMPLOYMENT COMPENSA-**
10 **TION.**

11 (a) IN GENERAL.—Section 51(d)(1) of the Internal
12 Revenue Code of 1986 (defining members of targeted
13 group) is amended by striking “or” at the end of subpara-
14 graph (H), by striking the period at the end of subpara-
15 graph (I) and inserting “, or”, and by adding at the end
16 the following new subparagraph:

17 “(J) in the case of a small business em-
18 ployer, a qualified unemployment compensation
19 recipient.”.

20 (b) QUALIFIED UNEMPLOYMENT COMPENSATION
21 RECIPIENT.—Section 51(d) of such Code is amended by
22 redesignating paragraphs (11) through (14) as para-
23 graphs (12) through (15), respectively, and by inserting
24 after paragraph (10) the following new paragraph:

25 “(11) QUALIFIED UNEMPLOYMENT COMPENSA-
26 TION RECIPIENT; SMALL BUSINESS EMPLOYER.—

1 “(A) IN GENERAL.—The term ‘qualified
2 unemployment compensation recipient’ means
3 any individual who is certified by the designated
4 local agency as—

5 “(i) not being a student for at least 6
6 months during the 1-year period ending on
7 the hiring date,

8 “(ii) being in receipt of unemployment
9 compensation under State or Federal law
10 on the hiring date, and

11 “(iii) having a hiring date during the
12 2-year period which begins on the date of
13 the enactment of this paragraph.

14 “(B) SMALL BUSINESS EMPLOYER.—For
15 purposes of this paragraph, the term ‘small
16 business employer’ means, with respect to any
17 hiring date, any employer which employs more
18 than 10 but fewer than 25 full-time equivalent
19 employees throughout the taxable year.

20 “(C) STUDENT.—For purposes of this
21 paragraph, a student is an individual enrolled
22 at least half-time in a program that leads to a
23 degree, certificate, or other recognized edu-
24 cational credential for at least 6 months

1 (whether or not consecutive) during the 1-year
2 period ending on the hiring date.”.

3 (c) MAXIMUM \$4,000 CREDIT PER EMPLOYEE.—
4 Section 51(b)(3) of such Code is amended by inserting
5 “\$10,000 per year in the case of any individual who is
6 a qualified unemployment compensation recipient by rea-
7 son of subsection (d)(11),” after “\$6,000 per year (”.

8 (d) DENIAL OF CREDIT UNLESS EMPLOYMENT
9 FULL-TIME FOR 1 YEAR.—Section 51(i)(3) of such Code
10 (relating to individuals not meeting minimum employment
11 periods) is amended by adding at the end the following
12 new subparagraph:

13 “(C) SPECIAL RULES FOR QUALIFIED UN-
14 EMPLOYMENT COMPENSATION RECIPIENTS.—
15 No wages shall be taken into account under
16 subsection (a) with respect to a qualified unem-
17 ployment compensation recipient unless—

18 “(i) such individual is employed by
19 the employer for not less than 35 hours
20 per week for not less than 1 year, and

21 “(ii) the number of full-time equiva-
22 lent employees of the employer is increased
23 by 1 for at least 1 year by reason of such
24 individual’s employment by the employer.”.

1 (e) CREDIT MADE AVAILABLE TO TAX-EXEMPT EM-
2 PLOYERS IN CERTAIN CIRCUMSTANCES.—

3 (1) IN GENERAL.—Section 3111(e) of such
4 Code is amended—

5 (A) by striking “QUALIFIED VETERANS”
6 in the subsection heading and inserting
7 “QUALIFIED INDIVIDUALS”,

8 (B) by striking “qualified veteran” each
9 place it appears in the text and inserting
10 “qualified individual”, and

11 (C) by striking “qualified veterans” in
12 paragraph (2) and inserting “qualified individ-
13 uals”.

14 (2) QUALIFIED INDIVIDUAL DEFINED.—Section
15 3111(e)(5)(B) of such Code is amended to read as
16 follows:

17 “(B) the term ‘qualified individual’
18 means—

19 “(i) any qualified veteran (as defined
20 in section 51(d)(3)), and

21 “(ii) any qualified unemployment com-
22 pensation recipient (as defined in section
23 51(d)(11)).”.

24 (3) CONFORMING AMENDMENT.—Section
25 52(c)(2) of such Code is amended—

1 (A) by inserting “AND QUALIFIED UNEM-
2 PLOYMENT COMPENSATION RECIPIENTS” after
3 “QUALIFIED VETERANS” in the heading, and

4 (B) by inserting “and qualified unemploy-
5 ment compensation recipients” after “qualified
6 veterans” in the text.

7 (f) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to individuals who begin work for
9 the employer after the date of the enactment of this Act.

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