

114TH CONGRESS
2D SESSION

H. R. 4840

To amend the Internal Revenue Code of 1986 to increase the maximum wages allowed under the work opportunity tax credit for ex-felons, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 2016

Mrs. WATSON COLEMAN (for herself, Ms. JACKSON LEE, Mr. RANGEL, and Mr. PAYNE) 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 increase the maximum wages allowed under the work opportunity tax credit for ex-felons, 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.**

4 This Act may be cited as the “Hire For a Second
5 Chance Act of 2016”.

6 **SEC. 2. EXTENSION AND MODIFICATION OF WORK OPPOR-**
7 **TUNITY TAX CREDIT.**

8 (a) CREDIT MADE PERMANENT.—Section 51(c) of
9 the Internal Revenue Code of 1986 is amended by striking

1 paragraph (4) and redesignating paragraph (5) as para-
2 graph (4).

3 (b) INCREASE IN WAGE LIMITATION FOR EX-FEL-
4 ONS.—

5 (1) LIMITATION ON WAGES TAKEN INTO AC-
6 COUNT.—Section 51(b)(3) of such Code is amend-
7 ed—

8 (A) by striking “subsection (d)(3)(A)(iv),
9 and” and inserting “subsection (d)(3)(A)(iv),”,
10 and

11 (B) by striking “subsection
12 (d)(3)(A)(ii)(II)” and inserting “subsection
13 (d)(3)(A)(ii)(II), and \$14,000 in the case of
14 any individual who is an ex-felon by reason of
15 subsection (d)(4)”.

16 (2) INFLATION ADJUSTMENT.—Section 51(b) of
17 such Code is amended by adding at the end the fol-
18 lowing:

19 “(4) ADJUSTMENT FOR INFLATION.—In the
20 case of any taxable year beginning after 2016, the
21 \$14,000 dollar amount contained in paragraph (3)
22 relating to ex-felons shall be increased by an amount
23 equal to the product of—

24 “(A) such dollar amount, and

1 “(B) the cost of living adjustment deter-
2 mined under section 1(f)(3) for the calendar
3 year in which the taxable year begins deter-
4 mined by substituting ‘calendar year 2015’ for
5 ‘calendar year 1992’ in subparagraph (B)
6 thereof.

7 If any increase determined under the preceding sen-
8 tence is not a multiple of \$50, such increase shall
9 be rounded to the next lowest multiple of \$50.”.

10 (c) QUALIFIED EX-FELON.—Section 51(d)(4)(B) of
11 such Code is amended by striking “1 year” and inserting
12 “3 years”.

13 (d) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to individuals who begin work for
15 the employer after December 31, 2015.

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