

115TH CONGRESS  
1ST SESSION

# H. R. 2313

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

---

## IN THE HOUSE OF REPRESENTATIVES

MAY 3, 2017

Mr. MCNERNEY (for himself, Mr. EVANS, Mrs. NAPOLITANO, Ms. CLARKE of New York, and Mr. RYAN of Ohio) 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 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”.

6 **SEC. 2. TEMPORARY WORK OPPORTUNITY CREDIT FOR**  
7 **SMALL BUSINESSES.**

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

1       “(1) SMALL BUSINESS CREDIT FOR HIRING CERTAIN  
2 UNEMPLOYED INDIVIDUALS DURING 2018 AND 2019.—

3           “(1) IN GENERAL.—In the case of an eligible  
4 unemployed individual who begins work for an eligi-  
5 ble small business during 2018 or 2019, the tax-  
6 payer may elect to treat such individual as a mem-  
7 ber of a targeted group for purposes of this subpart,  
8 subject to the modifications in paragraph (5) and in  
9 lieu of treating such individual as a member of any  
10 other targeted group.

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

14           “(A) either—

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

18                   “(ii) in the case of a person to which  
19 subparagraph (A) does not apply, such  
20 person employed not more than 100 full-  
21 time employees during the preceding tax-  
22 able year, and

23           “(B) such person elects the application of  
24 this subsection for the taxable year.

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

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

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

13 “(B) whose employment with the employer  
14 was terminated before January 1, 2018.

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

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

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

3           “(i) in the case of wages paid or in-  
4 curred by the employer during 2018, by  
5 substituting ‘7.5 percent’ for ‘40 percent’,  
6 and

7           “(ii) in the case of wages paid or in-  
8 curred by the employer during 2019, by  
9 substituting ‘5 percent’ for ‘40 percent’.

10           “(B) QUALIFIED WAGES DURING 2018 AND  
11 2019 TAKEN INTO ACCOUNT.—Subsection (b)(2)  
12 shall be applied by substituting ‘during 2018  
13 and 2019’ for ‘during the 1-year period begin-  
14 ning with the day the individual begins work for  
15 the employer’.

16           “(C) \$75,000 WAGE LIMITATION.—Sub-  
17 section (b)(3) shall be applied by substituting  
18 ‘\$75,000’ for ‘\$6,000’.

19           “(D) DOUBLE CREDIT IN COUNTIES WITH  
20 HIGH UNEMPLOYMENT.—

21           “(i) IN GENERAL.—In the case of an  
22 employer located in a county which is a  
23 high unemployment county for the month  
24 during which the employee begins work for  
25 the employer, clauses (i) and (ii) of sub-

1 paragraph (A) shall be applied by sub-  
2 stituting ‘15 percent’ and ‘10 percent’ for  
3 ‘7.5 percent’ and ‘5 percent’, respectively.

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

12 “(E) CREDIT TO APPLY FOR ALL 2018 AND  
13 2019.—This subsection shall be applied without  
14 regard to subsection (c)(4).

15 “(F) CERTAIN REHIRES ELIGIBLE.—Sub-  
16 section (i)(2) shall not apply to an individual  
17 whose employment with the employer was ter-  
18 minated before January 1, 2018.”.

19 (b) EFFECTIVE DATE.—The amendments made by  
20 this section shall apply to employees hired after December  
21 31, 2017.

○