

117TH CONGRESS
1ST SESSION

H. R. 1018

To amend the Internal Revenue Code of 1986 to increase the differential wage payment credit.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2021

Mr. PANETTA (for himself and Mr. WENSTRUP) 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 differential wage payment credit.

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 “Reservist Pay Equity
5 Act of 2021”.

6 **SEC. 2. EXPANSION OF EMPLOYER WAGE CREDIT FOR EM-**
7 **PLOYEES WHO ARE ACTIVE DUTY MEMBERS**
8 **OF THE UNIFORMED SERVICES.**

9 (a) INCREASE IN DIFFERENTIAL WAGE PAYMENT
10 CREDIT.—Section 45P(a) of the Internal Revenue Code

1 of 1986 is amended by striking “20 percent” and inserting
2 “50 percent”.

3 (b) ADJUSTMENT FOR INFLATION.—Section 45P(b)
4 of such Code is amended by adding at the end the fol-
5 lowing new paragraph:

6 “(4) ADJUSTMENT FOR INFLATION.—In the
7 case of any taxable year beginning after 2021, the
8 \$20,000 amount in paragraph (1) shall be increased
9 by an amount equal to—

10 “(A) such dollar amount, multiplied by

11 “(B) the cost-of-living adjustment deter-
12 mined under section 1(f)(3) for the calendar
13 year in which the taxable year begins, by sub-
14 stituting ‘calendar year 2020’ for ‘calendar year
15 1996’ in subparagraph (A)(ii) thereof.

16 If the amount as increased under the preceding sen-
17 tence is not a multiple of \$100, such amount shall
18 be rounded to the nearest multiple of \$100.”.

19 (c) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to payments made after December
21 31, 2020.

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