

117TH CONGRESS  
1ST SESSION

# H. R. 1018

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

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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

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## 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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