

119TH CONGRESS
1ST SESSION

S. 492

To amend the Internal Revenue Code of 1986 to improve and enhance the work opportunity tax credit, to encourage longer-service employment, and to modernize the credit to make it more effective as a hiring incentive for targeted workers, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 2025

Mr. CASSIDY (for himself and Ms. HASSAN) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to improve and enhance the work opportunity tax credit, to encourage longer-service employment, and to modernize the credit to make it more effective as a hiring incentive for targeted workers, 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 “Improve and Enhance
5 the Work Opportunity Tax Credit Act”.

1 **SEC. 2. IMPROVING AND ENHANCING WORK OPPORTUNITY**

2 **TAX CREDIT.**

3 (a) IN GENERAL.—Section 51(a) of the Internal Rev-
4 enue Code of 1986 is amended—

5 (1) by striking “shall be equal to 40 percent”
6 and all that follows and inserting the following:
7 “shall be equal to the sum of—

8 “(1) 50 percent of so much of the qualified
9 first-year wages with respect to each individual for
10 such year as does not exceed \$6,000, plus

11 “(2) in the case of individuals who have per-
12 formed at least 400 hours of service for the em-
13 ployer, 50 percent of so much of the qualified first-
14 year wages with respect to each such individual for
15 such year as exceeds \$6,000, and does not exceed
16 \$12,000.”.

17 (b) CONFORMING AMENDMENTS RELATING TO LIMI-
18 TATION ON WAGES TAKEN INTO ACCOUNT FOR CERTAIN
19 VETERANS.—Section 51(b)(3) of such Code is amended
20 to read as follows:

21 “(3) INCREASED LIMITATION ON WAGES TAKEN
22 INTO ACCOUNT FOR VETERANS.—The \$6,000 and
23 \$12,000 amounts under paragraphs (1) and (2) of
24 subsection (a) shall be increased to—

1 “(A) \$12,000 and \$24,000, respectively, in
 2 the case of any individual who is a qualified vet-
 3 eran by reason of subsection (d)(3)(A)(ii)(I),

4 “(B) \$14,000 and \$28,000, respectively, in
 5 the case of any individual who is a qualified vet-
 6 eran by reason of subsection (d)(3)(A)(iv), and

7 “(C) \$24,000 and \$48,000, respectively, in
 8 the case of any individual who is a qualified vet-
 9 eran by reason of subsection (d)(3)(A)(ii)(II).”.

10 (c) CONFORMING AMENDMENTS RELATING TO INDI-
 11 VIDUALS NOT MEETING MINIMUM EMPLOYMENT PERI-
 12 ODS.—

13 (1) Subparagraphs (A) and (B) of section
 14 51(i)(3) of such Code are each amended by striking
 15 “subsection (a)” and inserting “subsection (a)(1)”.

16 (2) Section 51(i)(3)(A) of such Code is amend-
 17 ed by striking “40 percent” and inserting “50 per-
 18 cent”.

19 (d) CONFORMING AMENDMENTS RELATING TO
 20 TREATMENT OF SUMMER YOUTH EMPLOYEES.—Section
 21 51(d)(7)(B) of such Code is amended—

22 (1) by striking clause (ii),

23 (2) by striking “, and” at the end of clause (i)
 24 and inserting a period,

1 (3) by redesignating clause (i) (as so amended)
2 as clause (v), and

3 (4) by inserting before such clause (v) (as so re-
4 designated) the following new clauses:

5 “(i) in lieu of the amount determined
6 under subsection (a), the amount of the
7 work opportunity credit determined under
8 this section for the taxable year shall be
9 equal to 40 percent of the qualified first-
10 year wages for such year,

11 “(ii) in the case of an individual de-
12 scribed in subsection (i)(3)(A), clause (i)
13 shall be applied by substituting ‘25 per-
14 cent’ for ‘40 percent’,

15 “(iii) in the case of an individual de-
16 scribed in subsection (i)(3)(B), no wages
17 shall be taken into account under clause
18 (i),

19 “(iv) the amount of qualified first-
20 year wages which may be taken into ac-
21 count with respect to such individual shall
22 not exceed \$3,000 per year, and”.

23 (e) CONFORMING AMENDMENTS RELATING TO
24 LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—

1 (1) IN GENERAL.—Section 51(e)(1) of such
2 Code is amended by striking “family assistance re-
3 cipient—” and all that follows and inserting the fol-
4 lowing: “family assistance recipient, in lieu of sub-
5 section (a), the amount of the work opportunity
6 credit determined under this section for the taxable
7 year shall be equal to—

8 “(1) 40 percent of so much of the qualified
9 first-year wages with respect to such individual for
10 such year as does not exceed \$10,000, and

11 “(2) 50 percent of so much of the qualified sec-
12 ond-year wages with respect to such individual for
13 such year as does not exceed \$10,000.”.

14 (2) CLERICAL AMENDMENT.—The heading for
15 section 51(e) of such Code is amended by striking
16 “CREDIT FOR SECOND-YEAR WAGES” and inserting
17 “SPECIAL RULES FOR DETERMINING CREDIT”.

18 (f) EFFECTIVE DATE.—The amendments made by
19 this section shall apply to individuals who begin work for
20 the employer after December 31, 2024.

1 **SEC. 3. REMOVAL OF AGE LIMIT FOR QUALIFIED SUPPLE-**
2 **MENTAL NUTRITION ASSISTANCE PROGRAM**
3 **BENEFITS RECIPIENT.**

4 (a) IN GENERAL.—Section 51(d)(8)(A)(i) of the In-
5 ternal Revenue Code of 1986 is amended by striking “but
6 not age 40”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 this section shall apply to individuals who begin work for
9 the employer after December 31, 2024.

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