

105TH CONGRESS
1ST SESSION

H. R. 1729

To amend the Internal Revenue Code of 1986 to extend and modify the work opportunity credit.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 1997

Mr. HOUGHTON (for himself, Mr. RANGEL, Mr. WELLER, Mr. ENSIGN, Mr. ENGLISH of Pennsylvania, Mr. McDERMOTT, Mr. COYNE, Mr. LEVIN, Mr. MATSUI, Mr. McNULTY, Mr. NEAL of Massachusetts, Mr. CHRISTENSEN, Mr. LEWIS of Georgia, and Mr. WATKINS) 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 extend and modify the work opportunity 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. EXTENSION AND MODIFICATION OF WORK OP-**
4 **PORTUNITY CREDIT.**

5 (a) EXTENSION.—Subparagraph (B) of section
6 51(c)(4) of the Internal Revenue Code of 1986 (relating
7 to termination) is amended by striking “1997” and insert-
8 ing “2000”.

1 (b) PERCENTAGE OF WAGES ALLOWED AS CRED-
2 IT.—

3 (1) IN GENERAL.—Subsection (a) of section 51
4 of such Code (relating to determination of amount)
5 is amended by striking “35 percent” and inserting
6 “40 percent”.

7 (2) APPLICATION OF CREDIT FOR INDIVIDUALS
8 PERFORMING FEWER THAN 400 HOURS OF SERV-
9 ICES.—Paragraph (3) of section 51(i) of such Code
10 is amended to read as follows:

11 “(3) INDIVIDUALS NOT MEETING MINIMUM EM-
12 PLOYMENT PERIODS.—

13 “(A) REDUCTION OF CREDIT FOR INDIVID-
14 UALS PERFORMING FEWER THAN 400 HOURS OF
15 SERVICES.—In the case of an individual who
16 has completed at least 120 hours, but less than
17 400 hours, of services performed for the em-
18 ployer, subsection (a) shall be applied by sub-
19 stituting ‘25 percent’ for ‘40 percent’.

20 “(B) DENIAL OF CREDIT FOR INDIVIDUALS
21 PERFORMING FEWER THAN 120 HOURS OF
22 SERVICES.—No wages shall be taken into ac-
23 count under subsection (a) with respect to any
24 individual unless such individual has completed

1 at least 120 hours of services performed for the
2 employer.”

3 (c) MODIFICATION OF ELIGIBILITY REQUIREMENT
4 BASED ON PERIOD ON WELFARE.—Subparagraph (A) of
5 section 51(d)(2) of such Code (defining qualified IV–A re-
6 cipient) is amended by striking all that follows “a IV–A
7 program” and inserting “for any 9 months during the 18-
8 month period ending on the hiring date.”

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to individuals who begin work for
11 the employer after the date of the enactment of this Act.

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