

105TH CONGRESS
2D SESSION

S. 2018

To amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit to employers providing employment in economically distressed communities.

IN THE SENATE OF THE UNITED STATES

APRIL 30, 1998

Mr. JOHNSON 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 extend the work opportunity tax credit to employers providing employment in economically distressed communities.

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 “Reemployment Tax
5 Credit Act of 1998”.

6 **SEC. 2. WORK OPPORTUNITY TAX CREDIT.**

7 (a) QUALIFIED DISLOCATED WORKERS TREATED AS
8 MEMBERS OF TARGETED GROUPS.—

1 (1) IN GENERAL.—Paragraph (1) of section
 2 51(d) of the Internal Revenue Code of 1986 (relat-
 3 ing to members of targeted groups) is amended by
 4 striking “or” at the end of subparagraph (G), by
 5 striking the period at the end of subparagraph (H)
 6 and inserting “, or”, and by adding at the end the
 7 following new subparagraph:

8 “(I) a qualified dislocated worker.”.

9 (2) QUALIFIED DISLOCATED WORKER.—Section
 10 51(d) of such Code is amended by redesignating
 11 paragraphs (10), (11), and (12) as paragraphs (11),
 12 (12), and (13), respectively, and by inserting after
 13 paragraph (9) the following new paragraph:

14 “(10) QUALIFIED DISLOCATED WORKER.—

15 “(A) IN GENERAL.—The term ‘qualified
 16 dislocated worker’ means any individual who is
 17 certified by the designated local agency as—

18 “(i) being eligible for unemployment
 19 compensation (within the meaning of sec-
 20 tion 85) as a result of loss of employment
 21 at a work-site located in an economic dis-
 22 location area,

23 “(ii) having a hiring date which is not
 24 later than 90 days after the date on which

the individual becomes eligible for such unemployment compensation, and

“(iii) being offered employment at a work-site which is not more than 60 miles from the previous work-site of the individual.

“(B) CERTIFICATION OF ECONOMIC DISLOCATION AREA.—

“(i) CERTIFICATION.—Not later than 20 days after an application for certification of a community as an economic dislocation area is received by the Assistant Secretary of Economic Development of the Department of Commerce under clause (ii), the Assistant Secretary shall certify whether or not the community is an economic dislocation area as determined under subparagraph (C) or (D).

“(ii) APPLICATION.—For purposes of clause (i), the application for certification shall be submitted by the Governor of the State (or the Governor’s designee) in which the community for which certification is being sought is located and shall be in such form and contain such information as

1 the Assistant Secretary may require in
2 order to determine whether the community
3 is an economic dislocation area.

4 “(C) COMMUNITIES LOCATED IN A METRO-
5 POLITAN STATISTICAL AREA.—Except as pro-
6 vided in subparagraph (E), a community lo-
7 cated in a metropolitan statistical area (within
8 the meaning of section 143(k)(2)(B)) shall be
9 certified as an economic dislocation area if the
10 community suffers actual or threatened perma-
11 nent job loss and—

12 “(i) in the case of a metropolitan sta-
13 tistical area in which the unemployment
14 rate is greater than the national average,
15 the job loss in the community is equal to
16 or greater than the lesser of—

17 “(I) 0.5 percent of the employed
18 population in the community, or

19 “(II) 4,000, or

20 “(ii) in the case of a metropolitan sta-
21 tistical area in which the unemployment
22 rate is equal to or less than the national
23 average, the job loss in the community is
24 equal to or greater than the lesser of—

1 “(I) 1 percent of the employed
2 population in the community, or

3 “(II) 8,000.

4 “(D) COMMUNITIES NOT LOCATED IN A
5 METROPOLITAN STATISTICAL AREA.—Except as
6 provided in subparagraph (E), a community
7 that is not located in a metropolitan statistical
8 area shall be certified as an economic disloca-
9 tion area if the community suffers actual or
10 threatened permanent job loss and—

11 “(i) if the unemployment rate of the
12 Labor Market Area in which the commu-
13 nity is located is greater than the national
14 average, the job loss in the community is
15 equal to or greater than the lesser of—

16 “(I) 2 percent of the employed
17 population in the community, or

18 “(II) 500, or

19 “(ii) if the unemployment rate of the
20 Labor Market Area in which the commu-
21 nity is located is equal to or less than the
22 national average, the job loss in the com-
23 munity is equal to or greater than the less-
24 er of—

1 “(I) 4 percent of the employed
2 population in the community, or

3 “(II) 1,000.

4 “(E) REQUIRED JOB LOSS PERCENTAGE.—

5 A community shall not be certified under this
6 paragraph as an economic dislocation area un-
7 less at least—

8 “(i) 50 percent of the job loss in the
9 community is the result of the action of a
10 single employer, or

11 “(ii) 80 percent of such job loss oc-
12 curs in a single standard industry classi-
13 fication.”.

14 (b) EFFECTIVE DATE.—The amendments made by
15 this section shall apply to individuals who begin work for
16 the employer after December 31, 1998.

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