

107TH CONGRESS
2D SESSION

H. R. 3877

To amend the Internal Revenue Code of 1986 and the Social Security Act to clarify rules for determining whether certain agent-drivers and commission-drivers are employees.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2002

Mr. CRANE (for himself and Mr. SHAW) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 and the Social Security Act to clarify rules for determining whether certain agent-drivers and commission-drivers are employees.

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. CLARIFICATION OF DEFINITION OF FACILITIES**
4 **FOR AGENT-DRIVERS AND COMMISSION-**
5 **DRIVERS.**

6 (a) INTERNAL REVENUE CODE.—Subsection (d) of
7 section 3121 of the Internal Revenue Code of 1986 (defin-

1 ing employee) is amended by adding at the end the fol-
2 lowing new flush sentence:

3 “For purposes of paragraph (3), the determination of
4 whether an agent-driver or commission-driver described in
5 paragraph (3)(A) has a substantial investment in facilities
6 shall be made by treating an investment in a distribution
7 right or territory as an investment in facilities.”

8 (b) SOCIAL SECURITY ACT.—Subsection (j) of section
9 210 of the Social Security Act is amended by adding at
10 the end the following new flush sentence:

11 “For purposes of paragraph (3), the determination of
12 whether an agent-driver or commission-driver described in
13 paragraph (3)(A) has a substantial investment in facilities
14 shall be made by treating an investment in a distribution
15 right or territory as an investment in facilities.”

16 (c) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to services performed after Decem-
18 ber 31, 2001.

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