

107TH CONGRESS  
1ST SESSION

# S. 545

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to small business employees working or living in areas of poverty.

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IN THE SENATE OF THE UNITED STATES

MARCH 15, 2001

Mr. FRIST introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to small business employees working or living in areas of poverty.

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. EXPANSION OF WORK OPPORTUNITY TAX**  
4       **CREDIT.**

5       (a) IN GENERAL.—Section 51(d)(1) of the Internal  
6       Revenue Code of 1986 (relating to members of targeted  
7       groups) is amended by striking “or” at the end of sub-  
8       paragraph (G), by striking the period at the end of sub-  
9       paragraph (H) and inserting “, or”, and by adding at the  
10      end the following:

1 “(I) a qualified small business employee.”

2 (b) QUALIFIED SMALL BUSINESS EMPLOYEE.—Sec-  
3 tion 51(d) of the Internal Revenue Code of 1986 is amend-  
4 ed by redesignating paragraphs (10) through (12) as para-  
5 graphs (11) through (13), respectively, and by inserting  
6 after paragraph (9) the following:

7 “(10) QUALIFIED SMALL BUSINESS EM-  
8 PLOYEE.—

9 “(A) IN GENERAL.—The term ‘qualified  
10 small business employee’ means any  
11 individual—

12 “(i) hired by a qualified small busi-  
13 ness located in a population census tract  
14 with a poverty rate not less than 20 per-  
15 cent, or

16 “(ii) hired by a qualified small busi-  
17 ness and who is certified by the designated  
18 local agency as residing in such a popu-  
19 lation census tract.

20 “(B) QUALIFIED SMALL BUSINESS.—The  
21 term ‘qualified small business’ has the meaning  
22 given the term ‘small employer’ by section  
23 4980D(d)(2).

24 “(C) USE OF CENSUS DATA.—The poverty  
25 rate for any population census tract shall be de-

1           terminated by the most recent decennial census  
2           data available.”.

3           (c) REPORT.—The Secretary of the Treasury shall re-  
4 port to the Committee on Ways and Means of the House  
5 of Representatives and the Committee on Finance of the  
6 Senate on the date which is 18 months after the date of  
7 enactment of this Act on the effect of the expansion of  
8 the work opportunity credit under section 51 of the Inter-  
9 nal Revenue Code of 1986, as amended by this section.  
10          (d) EFFECTIVE DATE.—The amendments made by  
11 this section shall apply to individuals who begin work for  
12 the employer after the date of enactment of this Act.

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