

108TH CONGRESS
1ST SESSION

H. R. 3010

To provide for the payment or reimbursement by the Federal Government of special unemployment assistance paid by States to individuals participating in qualified worker training programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 4, 2003

Mr. MICHAUD (for himself and Ms. LINDA T. SÁNCHEZ of California) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide for the payment or reimbursement by the Federal Government of special unemployment assistance paid by States to individuals participating in qualified worker training programs, 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 “Workforce Fairness
5 and Tax Relief Act of 2003”.

1 **SEC. 2. AGREEMENTS WITH STATES HAVING QUALIFIED**
2 **WORKER TRAINING PROGRAMS.**

3 (a) IN GENERAL.—Any State, the State unemploy-
4 ment compensation law of which is approved by the Sec-
5 retary of Labor (hereinafter in this Act referred to as the
6 “Secretary”) under section 3304 of the Internal Revenue
7 Code of 1986, which desires to do so, may enter into and
8 participate in an agreement with the Secretary under this
9 Act, if such State law contains (as of the date such agree-
10 ment is entered into) a requirement that special unemploy-
11 ment assistance be payable to individuals participating in
12 a qualified worker training program, as described in sub-
13 section (b). Any State which is a party to an agreement
14 under this Act may, upon providing 30 days’ written no-
15 tice to the Secretary, terminate such agreement.

16 (b) QUALIFIED WORKER TRAINING PROGRAM.—For
17 purposes of this Act, the term “qualified worker training
18 program” means a program—

19 (1) under which individuals who meet the re-
20 quirements described in paragraph (3) are eligible to
21 receive special unemployment assistance while par-
22 ticipating in the program;

23 (2) under which the assistance described in
24 paragraph (1) is payable in the same amount, at the
25 same interval, on the same terms, and subject to the

1 same conditions, as regular compensation under the
2 State law, except that—

3 (A) State requirements relating to avail-
4 ability for work, active search for work, and re-
5 fusal to accept work are not applicable to such
6 individuals;

7 (B) assistance shall not be payable after
8 the end of the 12-month period following the
9 last day of the individual's benefit year; and

10 (C) such individuals are considered to be
11 unemployed for the purposes of Federal and
12 State laws applicable to unemployment com-
13 pensation,

14 as long as such individuals meet the requirements
15 applicable under this subsection;

16 (3) under which individuals may receive the as-
17 sistance described in paragraph (1) if such individ-
18 uals—

19 (A)(i)(I) have exhausted all rights to reg-
20 ular compensation under the State law;

21 (II) have exhausted all rights to extended
22 compensation, or are not entitled thereto, be-
23 cause of the ending of their eligibility for ex-
24 tended compensation, in such State;

1 (ii) have no rights to compensation (includ-
2 ing both regular compensation and extended
3 compensation) with respect to a week under
4 such law or any other State unemployment
5 compensation law or to compensation under any
6 other Federal law;

7 (iii) are not receiving compensation with
8 respect to such week under the unemployment
9 compensation law of Canada or any other for-
10 eign country;

11 (B)(i) were terminated as a result of any
12 permanent closure of a plant or facility; or

13 (ii) are identified pursuant to a State
14 worker profiling system as individuals who—

15 (I) are long-term unemployed and
16 have limited opportunities for employment
17 or reemployment in the same or a similar
18 occupation in the area in which they re-
19 side;

20 (II) are otherwise unlikely to return
21 to their previous industry or occupation; or

22 (III) satisfy such other criteria as
23 may be established in or under the agree-
24 ment for purposes of this subclause; and

1 (C) are actively participating in training
2 activities approved by the State agency pre-
3 paring them for suitable reemployment; and
4 (4) which meets such other requirements as the
5 Secretary determines to be appropriate.

6 **SEC. 3. PAYMENTS TO STATES HAVING AGREEMENTS.**

7 (a) IN GENERAL.—There shall be paid to each State
8 which has entered into an agreement under this Act an
9 amount equal to the applicable percentage of the covered
10 costs of the qualified worker training program of such
11 State.

12 (b) DEFINITIONS.—For purposes of this section:

13 (1) APPLICABLE PERCENTAGE.—The term “ap-
14 plicable percentage”, with respect to a State which
15 has entered into an agreement under this Act,
16 means—

17 (A) during each of the first 3 calendar
18 years beginning on the date on which such
19 agreement is entered into, 100 percent; and

20 (B) during each calendar year thereafter,
21 50 percent.

22 (2) COVERED COSTS.—The term “covered
23 costs”, with respect to a qualified worker training
24 program, means—

1 (A) the amount of special unemployment
2 assistance (as described in section 3(b)(1)) paid
3 under such program; and

4 (B) such amount as the Secretary deter-
5 mines to be necessary for the proper and effi-
6 cient administration of such program.

7 (c) METHOD OF PAYMENT.—Sums payable to any
8 State by reason of such State's having an agreement
9 under this Act shall be payable, either in advance or by
10 way of reimbursement (as determined by the Secretary),
11 in such amounts as the Secretary estimates the State will
12 be entitled to receive under this Act for each calendar
13 month, reduced or increased, as the case may be, by any
14 amount by which the Secretary finds that the Secretary's
15 estimates for any prior calendar month were greater or
16 less than the amounts which should have been paid to the
17 State. Such estimates may be made on the basis of such
18 statistical, sampling, or other method as may be agreed
19 upon by the Secretary and the State agency of the State
20 involved.

21 **SEC. 4. FINANCING PROVISIONS.**

22 (a) IN GENERAL.—Payments to States under section
23 3 shall be made in accordance with this section.

24 (b) CERTIFICATIONS.—The Secretary shall from time
25 to time certify to the Secretary of the Treasury for pay-

1 ment to each State the sums payable to such State under
2 this Act. The Secretary of the Treasury, prior to audit
3 or settlement by the General Accounting Office, shall
4 make payments to the State in accordance with such cer-
5 tification, by transfers from general funds in the Treasury
6 to—

7 (1) the account of such State in the Unemploy-
8 ment Trust Fund, to the extent that such payment
9 is allocable to costs described in section 3(b)(2)(A);
10 and

11 (2) such fund or other repository as may be
12 agreed upon by the Secretary and the State agency
13 of the State involved, to the extent that such pay-
14 ment is allocable to costs described in section
15 3(b)(2)(B).

16 **SEC. 5. DEFINITIONS.**

17 For purposes of this Act, the terms “State”, “State
18 law”, “State agency”, “regular compensation”, “extended
19 compensation”, “benefit year”, and “week” shall have the
20 respective meanings assigned to them under section 205
21 of the Federal-State Extended Unemployment Compensa-
22 tion Act of 1970.

1 **SEC. 6. REPORTS BY THE SECRETARY OF LABOR.**

2 The Secretary shall prepare and transmit to the Con-
3 gress on an annual basis a written report on the operation
4 of this Act, including—

5 (1) an assessment of this Act's effectiveness
6 within those States having an agreement in effect
7 under this Act during the period covered by the re-
8 port;

9 (2) the name of any State whose request to
10 enter into an agreement under this Act was dis-
11 approved during the period covered by the report, in-
12 cluding the reasons for each such decision; and

13 (3) such other information as the Secretary
14 considers appropriate.

15 **SEC. 7. REPEAL OF TAX ON UNEMPLOYMENT COMPENSA-**
16 **TION.**

17 (a) IN GENERAL.—Section 85 of the Internal Rev-
18 enue Code of 1986 is hereby repealed.

19 (b) CONFORMING AMENDMENTS.—

20 (1) Subsection (p) of section 3402 of such Code
21 is amended by striking paragraph (2) and by redesi-
22 gnating paragraph (3) as paragraph (2).

23 (2) Section 6050B of such Code (relating to re-
24 turns relating to unemployment compensation) is
25 hereby repealed.

1 (3) The table of sections for part II of sub-
2 chapter B of chapter 1 of such Code is amended by
3 striking the item relating to section 85.

4 (4) The table of sections for subpart B of part
5 III of subchapter A of chapter 61 of such Code is
6 amended by striking the item relating to section
7 6050B.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to amounts received after Decem-
10 ber 31, 2002.

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