

109TH CONGRESS
1ST SESSION

H. R. 119

To amend the Internal Revenue Code of 1986 to provide a credit to employers for hiring new employees.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2005

Ms. HOOLEY 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 provide a credit to employers for hiring new 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. SHORT TITLE.**

4 This Act may be cited as the “Expand America’s
5 Workforce Act of 2005”.

6 **SEC. 2. NEW EMPLOYEE CREDIT ADDED TO GENERAL BUSI-**
7 **NESS CREDIT.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to business-related credits) is amended by
2 adding at the end the following new section:

3 **“SEC. 45J. NEW EMPLOYEE CREDIT.**

4 “(a) GENERAL RULE.—For purposes of section 38,
5 the new employee credit determined under this section for
6 a taxable year is an amount equal to \$5,000 multiplied
7 by the number of new qualified employees for the taxable
8 year.

9 “(b) LIMITATION.—For purposes of subsection (a),
10 the number of employees treated as new qualified employ-
11 ees for the taxable year may not exceed the excess (if any)
12 of—

13 “(1) the number of full-time employees of the
14 taxpayer on the last day of the taxable year, over

15 “(2) the number of full-time employees of the
16 taxpayer on the first day of the taxable year.

17 **“(c) NEW QUALIFIED EMPLOYEES.—**

18 “(1) IN GENERAL.—For purposes of this sec-
19 tion, the term ‘new qualified employee’ means an in-
20 dividual who—

21 “(A) as of the last day of the taxable year
22 of the employer, is a full-time employee of the
23 employer, and

24 “(B) first began full-time employment with
25 the employer during the 12-month period begin-

1 ning 9 months before the end of the preceding
2 taxable year and ending on the last day of the
3 3rd month beginning in the taxable year.

4 “(2) EXCEPTION.—No individual with respect
5 to whom a credit is determined for the taxable year
6 under section 51 shall be treated as a new qualified
7 employee.

8 “(d) SPECIAL RULES.—For purposes of this sec-
9 tion—

10 “(1) FULL-TIME EMPLOYMENT.—An employee
11 shall be considered full-time if such employee is em-
12 ployed at least 30 hours per week for each week dur-
13 ing the 12-month period referred to in subsection
14 (b)(1).

15 “(2) AGGREGATION RULE.—All persons treated
16 as a single employer under subsection (a) or (b) of
17 section 52, or subsection (m) or (o) of section 414,
18 shall be treated as one person.

19 “(e) TERMINATION.—This section shall not apply to
20 taxable years beginning after December 31, 2007.”.

21 (b) CREDIT TO BE PART OF GENERAL BUSINESS
22 CREDIT.—Subsection (b) of section 38 of such Code (re-
23 lating to general business credit) is amended by striking
24 “plus” at the end of paragraph (18), by striking the period

1 at the end of paragraph (19) and inserting “, plus”, and
2 by adding at the end the following new paragraph:

3 “(20) the new employee credit determined
4 under section 45J(a).”.

5 (c) CONFORMING AMENDMENT.—The table of sec-
6 tions for subpart D of part IV of subchapter A of chapter
7 1 of such Code is amended by adding at the end the fol-
8 lowing new item:

“45J. New employee credit.”.

9 (d) EFFECTIVE DATE.—The amendments made by
10 this section shall apply to taxable years beginning after
11 December 31, 2005.

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