

111TH CONGRESS
2D SESSION

H. R. 4680

To reduce the employer portion of payroll taxes in the case of employers
who expand payroll in 2010 and 2011.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 2010

Mr. ELLSWORTH introduced the following bill; which was referred to the
Committee on Ways and Means

A BILL

To reduce the employer portion of payroll taxes in the case
of employers who expand payroll in 2010 and 2011.

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 “Jobs Momentum Act
5 of 2010”.

6 **SEC. 2. REDUCTION IN EMPLOYER PORTION OF PAYROLL**
7 **TAX FOR CERTAIN EMPLOYERS INCREASING**
8 **PAYROLL.**

9 (a) IN GENERAL.—In the case of any calendar quar-
10 ter beginning in 2010 or 2011, the aggregate amount of

1 employer payroll tax deposits of an employer shall be re-
 2 duced (but not below zero) by an amount equal to the ap-
 3 plicable percentage of the payroll increase of such em-
 4 ployer for such calendar quarter.

5 (b) DEFINITIONS AND SPECIAL RULES.—For pur-
 6 poses of this section—

7 (1) EMPLOYER PAYROLL TAX DEPOSITS.—The
 8 term “employer payroll tax deposits” means deposits
 9 an employer is required to make under section 6302
 10 of the Internal Revenue Code of 1986 of taxes im-
 11 posed on such employer under section 3111 of such
 12 Code with respect to individuals in his employ.

13 (2) APPLICABLE PERCENTAGE.—The applicable
 14 percentage shall be—

15 (A) in the case of any calendar quarter be-
 16 ginning in 2010, 10 percent, and

17 (B) in the case of any calendar quarter be-
 18 ginning in 2011, 5 percent.

19 (3) PAYROLL INCREASE.—

20 (A) IN GENERAL.—The term “payroll in-
 21 crease” means, with respect to an employer for
 22 a calendar quarter, the excess (if any) of—

23 (i) the aggregate amount of qualified
 24 wages (as defined in section 3121(a) of

1 such Code) paid by such employer to all
2 employees for such calendar quarter, over

3 (ii) aggregate amount of inflation ad-
4 justed qualified wages paid by such em-
5 ployer to all employees for the same cal-
6 endar quarter in the preceding calendar
7 year.

8 (B) QUALIFIED WAGES.—The term “quali-
9 fied wages” means, with respect to an em-
10 ployee, so much of such employee’s wages (as
11 defined in section 3121(a)) of such Code) as
12 does not exceed \$32,000.

13 (C) INFLATION ADJUSTED QUALIFIED
14 WAGES.—The term “inflation adjusted qualified
15 wages” means an amount equal to—

16 (i) qualified wages with respect to an
17 employee, multiplied by

18 (ii) the cost-of-living adjustment de-
19 termined under section 1(f)(3) for the cal-
20 endar year for which the reduction in de-
21 posits under this section is being deter-
22 mined occurs, determined by substituting
23 ‘calendar year 2009’ for ‘calendar year
24 1992’ in subparagraph (B) thereof.

1 (4) DENIAL OF DOUBLE BENEFIT.—The
2 amount of any deduction allowable to the employer
3 under chapter 1 of such Code for taxes paid under
4 section 3111 of such Code with respect to employ-
5 ment during any calendar quarter shall be reduced
6 by the amount by which the employer payroll tax de-
7 posits of such employer are reduced under sub-
8 section (a) for such quarter.

9 (5) WAGES MUST BE FOR TRADE OR BUSI-
10 NESS.—A rule similar to the rule of section 51(f) of
11 such Code shall apply.

12 (6) ADJUSTMENTS FOR CERTAIN ACQUISITIONS,
13 ETC.—Under regulations prescribed by the Sec-
14 retary—

15 (A) ACQUISITIONS.—If, after December
16 31, 2009, an employer acquires the major por-
17 tion of a trade or business of another person
18 (hereafter in this paragraph referred to as the
19 “predecessor”) or the major portion of a sepa-
20 rate unit of a trade or business of a prede-
21 cessor, then, for purposes of applying this sec-
22 tion for any calendar quarter ending after such
23 acquisition, the amount of wages or compensa-
24 tion deemed paid by the employer during peri-
25 ods before such acquisition shall be increased by

1 so much of such wages or compensation paid by
2 the predecessor with respect to the acquired
3 trade or business as is attributable to the por-
4 tion of such trade or business acquired by the
5 employer.

6 (B) DISPOSITIONS.—If, after December
7 31, 2009—

8 (i) an employer disposes of the major
9 portion of any trade or business of the em-
10 ployer or the major portion of a separate
11 unit of a trade or business of the employer
12 in a transaction to which paragraph (1)
13 applies, and

14 (ii) the employer furnishes the acquir-
15 ing person such information as is nec-
16 essary for the application of subparagraph
17 (A),

18 then, for purposes of applying this section for
19 any calendar quarter ending after such disposi-
20 tion, the amount of wages or compensation
21 deemed paid by the employer during periods be-
22 fore such disposition shall be reduced by so
23 much of such wages as is attributable to such
24 trade or business or separate unit.

1 (7) EMPLOYERS NOT ON QUARTERLY SYS-
2 TEM.—The Secretary of the Treasury shall prescribe
3 rules for the application of this section in the case
4 of an eligible employer whose required income tax
5 deposits are not made on a quarterly basis.

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