

111TH CONGRESS
1ST SESSION

H. R. 989

To provide a Federal income tax credit for Eagle employers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 11, 2009

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

A BILL

To provide a Federal income tax credit for Eagle employers,
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 “Eagle Employers Act”.

5 **SEC. 2. REDUCED TAXES FOR EAGLE EMPLOYERS.**

6 (a) IN GENERAL.—Subpart D of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code of
8 1986 is amended by adding at the end the following new
9 section:

1 **“SEC. 45R. REDUCTION IN TAX OF EAGLE EMPLOYERS.**

2 “(a) IN GENERAL.—In the case of any taxable year
3 with respect to which a taxpayer is certified by the Sec-
4 retary as an Eagle employer, the Eagle employer credit
5 determined under this section for purposes of section 38
6 shall be equal to 1 percent of the taxable income of the
7 taxpayer which is properly allocable to all trades or busi-
8 nesses with respect to which the taxpayer is certified as
9 an Eagle employer for the taxable year.

10 “(b) EAGLE EMPLOYER.—For purposes of subsection
11 (a), the term ‘Eagle employer’ means, with respect to any
12 taxable year, any taxpayer which—

13 “(1) maintains its headquarters in the United
14 States if the taxpayer has ever been headquartered
15 in the United States,

16 “(2) pays at least 60 percent of each employee’s
17 health care premiums,

18 “(3) if such taxpayer employs at least 50 em-
19 ployees on average during the taxable year—

20 “(A) maintains or increases the number of
21 full-time workers in the United States relative
22 to the number of full-time workers outside of
23 the United States,

24 “(B) compensates each employee of the
25 taxpayer at an hourly rate (or equivalent there-
26 of) not less than an amount equal to the Fed-

1 eral poverty level for a family of three for the
2 calendar year in which the taxable year begins
3 divided by 2,080,

4 “(C) provides either—

5 “(i) a defined contribution plan which
6 for any plan year—

7 “(I) requires the employer to
8 make nonelective contributions of at
9 least 5 percent of compensation for
10 each employee who is not a highly
11 compensated employee, or

12 “(II) requires the employer to
13 make matching contributions of 100
14 percent of the elective contributions of
15 each employee who is not a highly
16 compensated employee to the extent
17 such contributions do not exceed the
18 percentage specified by the plan (not
19 less than 5 percent) of the employee’s
20 compensation, or

21 “(ii) a defined benefit plan which for
22 any plan year requires the employer to
23 make contributions on behalf of each em-
24 ployee who is not a highly compensated
25 employee in an amount which will provide

1 an accrued benefit under the plan for the
2 plan year which is not less than 5 percent
3 of the employee's compensation, and

4 “(D) provides full differential salary and
5 insurance benefits for all National Guard and
6 Reserve employees who are called for active
7 duty, and

8 “(4) if such taxpayer employs less than 50 em-
9 ployees on average during the taxable year, either—

10 “(A) compensates each employee of the
11 taxpayer at an hourly rate (or equivalent there-
12 of) not less than an amount equal to the Fed-
13 eral poverty level for a family of 3 for the cal-
14 endar year in which the taxable year begins di-
15 vided by 2,080, or

16 “(B) provides either—

17 “(i) a defined contribution plan which
18 for any plan year—

19 “(I) requires the employer to
20 make nonelective contributions of at
21 least 5 percent of compensation for
22 each employee who is not a highly
23 compensated employee, or

24 “(II) requires the employer to
25 make matching contributions of 100

1 percent of the elective contributions of
2 each employee who is not a highly
3 compensated employee to the extent
4 such contributions do not exceed the
5 percentage specified by the plan (not
6 less than 5 percent) of the employee's
7 compensation, or

8 “(ii) a defined benefit plan which for
9 any plan year requires the employer to
10 make contributions on behalf of each em-
11 ployee who is not a highly compensated
12 employee in an amount which will provide
13 an accrued benefit under the plan for the
14 plan year which is not less than 5 percent
15 of the employee's compensation.”.

16 (b) ALLOWANCE AS GENERAL BUSINESS CREDIT.—
17 Section 38(b) of the Internal Revenue Code of 1986 is
18 amended by striking “plus” at the end of paragraph (34),
19 by striking the period at the end of paragraph (35) and
20 inserting “, plus”, and by adding at the end the following:

21 “(36) the Eagle employer credit determined
22 under section 45R.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2008.

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