

111TH CONGRESS  
2D SESSION

# S. 3007

To amend the Internal Revenue Code of 1986 to impose a 50 percent tax on bonuses paid by TARP recipients, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

FEBRUARY 11, 2010

Mr. BROWN of Ohio 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 impose a 50 percent tax on bonuses paid by TARP recipients, 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 “Wall Street Bonus Tax  
5       Act”.

1 **SEC. 2. EXCISE TAX ON BONUSES RECEIVED BY EMPLOY-**  
 2 **EES OF BUSINESSES RECEIVING TARP**  
 3 **FUNDS.**

4 (a) IN GENERAL.—Chapter 46 of the Internal Rev-  
 5 enue Code of 1986 is amended by adding at the end the  
 6 following new section:

7 **“SEC. 4999A. BONUSES PAID BY TARP RECIPIENTS.**

8 “(a) IN GENERAL.—In the case of any payment of  
 9 compensation during 2010 in the nature of a bonus by  
 10 a TARP recipient to any employee or former employee of  
 11 such recipient, there is hereby imposed a tax equal to 50  
 12 percent of so much of such compensation as exceeds  
 13 \$25,000.

14 “(b) TAX PAID BY BONUS RECIPIENT.—The tax im-  
 15 posed by this section shall be paid by such employee or  
 16 former employee.

17 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
 18 poses of this section—

19 “(1) TARP RECIPIENT.—The term ‘TARP re-  
 20 cipient’ means any person who receives funds under  
 21 title I of the Emergency Economic Stabilization Act  
 22 of 2008.

23 “(2) EMPLOYEE.—The term ‘employee’ includes  
 24 officers and executives.

25 “(3) ENTITIES ACQUIRED BY TARP RECIPI-  
 26 ENTS.—If more than 50 percent of the equity inter-

1       ests in any person is acquired by a TARP recipient,  
 2       such person shall be treated as a TARP recipient for  
 3       purposes of this section and subsection (a) shall  
 4       apply to applicable compensation paid by such per-  
 5       son after the earlier of the date of such acquisition  
 6       or the date that such acquisition is announced.

7               “(4) CERTAIN CONTROLLED GROUPS, ETC.—All  
 8       employees who are treated as employed by a single  
 9       employer under subsections (b), (c), or (m) of sec-  
 10      tion 414 shall be treated as employed by a single  
 11      employer for purposes of this section.”.

12      (b) CLERICAL AMENDMENT.—The table of sections  
 13      for chapter 46 of such Code is amended by adding at the  
 14      end the following new item:

“Sec. 4999A. Bonuses paid by TARP recipients.”.

15   **SEC. 3. DIRECT LENDING PROGRAM FOR SMALL BUSINESS**  
 16               **CONCERNS.**

17      (a) ESTABLISHMENT.—The Administrator of the  
 18      Small Business Administration shall establish and carry  
 19      out a program under which the Administrator is author-  
 20      ized to make loans directly to small business concerns.

21      (b) ADMINISTRATION.—To the extent practicable, the  
 22      Administrator of the Small Business Administration shall  
 23      carry out the program established under subsection (a) in  
 24      a manner similar to the loan program under section 7(a)  
 25      of the Small Business Act (15 U.S.C. 636(a)).

1 (c) FUNDING.—The Administrator of the Small Busi-  
 2 ness Administration shall carry out the program estab-  
 3 lished under subsection (a) using amounts made available  
 4 to the Administrator under section 9511 of the Internal  
 5 Revenue Code of 1986.

6 (d) SMALL BUSINESS CONCERN DEFINED.—The  
 7 term “small business concern” has the meaning given such  
 8 term under section 3(a) of the Small Business Act (15  
 9 U.S.C. 632(a)).

10 **SEC. 4. SMALL BUSINESS GROWTH FUND.**

11 (a) IN GENERAL.—Chapter 98 of the Internal Rev-  
 12 enue Code of 1986 is amended by adding at the end the  
 13 following new section:

14 **“SEC. 9511. SMALL BUSINESS GROWTH FUND.**

15 “(a) CREATION OF TRUST FUND.—There is estab-  
 16 lished in the Treasury of the United States a trust fund  
 17 to be known as the ‘Small Business Growth Fund’, con-  
 18 sisting of such amounts as may be appropriated or cred-  
 19 ited to such Fund as provided in this section or section  
 20 9602(b).

21 “(b) TRANSFERS TO TRUST FUND.—There are here-  
 22 by appropriated to the Small Business Growth Fund  
 23 amounts equivalent to the taxes received in the Treasury  
 24 under section 4999A.

1       “(c) EXPENDITURES.—Amounts in the Small Busi-  
2   ness Growth Fund shall be available, as provided in appro-  
3   priations Acts, only for carrying out the direct lending  
4   program for small business concerns under section 3 of  
5   the Wall Street Bonus Act, as in effect on the date of  
6   the enactment of such Act.”.

7       (b) CLERICAL AMENDMENT.—The table of sections  
8   for chapter 98 of such Code is amended by adding at the  
9   end the following new item:

“Sec. 9511. Small Business Growth Fund.”.

10       (c) EFFECTIVE DATE.—The amendments made by  
11   this section shall take effect on the date of the enactment  
12   of this Act.

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