

112TH CONGRESS  
2D SESSION

# H. R. 5320

To amend the Internal Revenue Code of 1986 to increase the quarterly wages paid threshold for classification as an agricultural labor employer for purposes of unemployment taxes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2012

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

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## A BILL

To amend the Internal Revenue Code of 1986 to increase the quarterly wages paid threshold for classification as an agricultural labor employer for purposes of unemployment taxes.

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 “Growing Small Farms  
5       Act of 2012”.

1 **SEC. 2. INCREASE IN QUARTERLY WAGES PAID THRESHOLD**  
2 **FOR CLASSIFICATION AS AGRICULTURAL**  
3 **LABOR EMPLOYER.**

4 (a) IN GENERAL.—Subparagraph (A) of section  
5 3306(a)(2) of the Internal Revenue Code of 1986 is  
6 amended by striking “\$20,000” and inserting “\$40,000”.

7 (b) EMPLOYMENT.—Clause (i) of section  
8 3306(c)(1)(A) of such Code is amended by striking  
9 “\$20,000” and inserting “\$40,000”.

10 (c) INFLATION ADJUSTMENT.—Paragraph (2) of sec-  
11 tion 3306(a) of such Code is amended—

12 (1) by striking “In the case of agricultural  
13 labor” and inserting “(A) In the case of agricultural  
14 labor”,

15 (2) by redesignating subparagraphs (A) and  
16 (B) as clauses (i) and (ii), respectively, and moving  
17 such clauses 2 ems to the right, and

18 (3) by adding at the end the following new sub-  
19 paragraph:

20 “(B) In the case of any year beginning after  
21 2013, the dollar amounts contained in paragraph  
22 (1)(A) and subsection (c)(1)(A)(i) shall each be in-  
23 creased by an amount equal to—

24 “(i) such dollar amount, multiplied by

25 “(ii) the cost-of-living adjustment deter-  
26 mined under section 1(f)(3) for the calendar

1           year in which the taxable year begins, deter-  
2           mined by substituting ‘calendar year 2012’ for  
3           ‘calendar year 1992’ in subparagraph (B)  
4           thereof. Any increase determined under the pre-  
5           ceding sentence shall be rounded to the nearest  
6           multiple of \$100.”.

7           (d) EFFECTIVE DATE.—The amendment made by  
8           subsection (a) shall apply with respect to remuneration  
9           paid after December 31, 2012, for services performed  
10          after such date.

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