

114TH CONGRESS
1ST SESSION

H. R. 3574

To amend the Internal Revenue Code of 1986 to encourage hiring unemployed individuals.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 2015

Mr. MCNERNEY 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 encourage hiring unemployed individuals.

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 “Small Business Relief
5 and Job Creation Act”.

6 **SEC. 2. TEMPORARY WORK OPPORTUNITY CREDIT FOR**
7 **SMALL BUSINESSES.**

8 (a) IN GENERAL.—Section 51 of the Internal Rev-
9 enue Code of 1986 is amended by adding at the end the
10 following new subsection:

1 “(l) SMALL BUSINESS CREDIT FOR HIRING CERTAIN
2 UNEMPLOYED INDIVIDUALS DURING 2016 AND 2017.—

3 “(1) IN GENERAL.—In the case of an eligible
4 unemployed individual who begins work for an eligi-
5 ble small business during 2016 or 2017, the tax-
6 payer may elect to treat such individual as a mem-
7 ber of a targeted group for purposes of this subpart,
8 subject to the modifications in paragraph (5) and in
9 lieu of treating such individual as a member of any
10 other targeted group.

11 “(2) ELIGIBLE SMALL BUSINESS.—For pur-
12 poses of this subsection, the term ‘eligible small
13 business’ means any person if—

14 “(A) either—

15 “(i) the gross receipts of such person
16 for the preceding taxable year did not ex-
17 ceed \$20,000,000, or

18 “(ii) in the case of a person to which
19 subparagraph (A) does not apply, such
20 person employed not more than 100 full-
21 time employees during the preceding tax-
22 able year, and

23 “(B) such person elects the application of
24 this subsection for the taxable year.

1 For purposes of subparagraph (A)(ii), an employee
2 shall be considered full-time if such employee is em-
3 ployed at least 30 hours per week for 35 or more
4 calendar weeks in the taxable year.

5 “(3) ELIGIBLE UNEMPLOYED INDIVIDUAL.—
6 For purposes of this section, the term ‘eligible un-
7 employed individual’ means any individual—

8 “(A) who is certified by the designated
9 local agency as being eligible to receive unem-
10 ployment compensation under State or Federal
11 law during the 1-year period ending on the hir-
12 ing date, or

13 “(B) whose employment with the employer
14 was terminated before January 1, 2016.

15 “(4) EMPLOYEE MUST BE FULL-TIME.—No
16 wages shall be taken into account with respect to
17 any individual for any taxable year unless such indi-
18 vidual is employed by the employer an average of at
19 least 30 hours per week in the taxable year (in the
20 case of the taxable year during which the individual
21 begins work, beginning with the day the individual
22 begins work).

23 “(5) MODIFICATIONS.—For purposes of this
24 subsection, the modifications described in this para-
25 graph are as follows:

1 “(A) PERCENTAGE OF WAGES.—Sub-
2 section (a) shall be applied—

3 “(i) in the case of wages paid or in-
4 curred by the employer during 2016, by
5 substituting ‘7.5 percent’ for ‘40 percent’,
6 and

7 “(ii) in the case of wages paid or in-
8 curred by the employer during 2017, by
9 substituting ‘5 percent’ for ‘40 percent’.

10 “(B) QUALIFIED WAGES DURING 2016 AND
11 2017 TAKEN INTO ACCOUNT.—Subsection (b)(2)
12 shall be applied by substituting ‘during 2016
13 and 2017’ for ‘during the 1-year period begin-
14 ning with the day the individual begins work for
15 the employer’.

16 “(C) \$75,000 WAGE LIMITATION.—Sub-
17 section (b)(3) shall be applied by substituting
18 ‘\$75,000’ for ‘\$6,000’.

19 “(D) DOUBLE CREDIT IN COUNTIES WITH
20 HIGH UNEMPLOYMENT.—

21 “(i) IN GENERAL.—In the case of an
22 employer located in a county which is a
23 high unemployment county for the month
24 during which the employee begins work for
25 the employer, clauses (i) and (ii) of sub-

1 paragraph (A) shall be applied by sub-
2 stituting ‘15 percent’ and ‘10 percent’ for
3 ‘7.5 percent’ and ‘5 percent’, respectively.

4 “(ii) HIGH UNEMPLOYMENT COUN-
5 TY.—For purposes of this subparagraph,
6 the term ‘high unemployment county’
7 means, with respect to any month, a coun-
8 ty for which the rate of unemployment ex-
9 ceeds the national rate of unemployment
10 (as determined by the Bureau of Labor
11 Statistics of the Department of Labor).

12 “(E) CREDIT TO APPLY FOR ALL 2016 AND
13 2017.—This subsection shall be applied without
14 regard to subsection (c)(4).

15 “(F) CERTAIN REHIRES ELIGIBLE.—Sub-
16 section (i)(2) shall not apply to an individual
17 whose employment with the employer was ter-
18 minated before January 1, 2016.”.

19 (b) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to employees hired after December
21 31, 2015.

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