

114TH CONGRESS
2D SESSION

H. R. 4593

To amend the Internal Revenue Code of 1986 to provide a payroll tax exemption for hiring long-term unemployed individuals.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 2016

Ms. NORTON 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 provide a payroll tax exemption for hiring long-term 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 “Reducing Long-Term
5 Unemployment Act”.

6 **SEC. 2. PAYROLL TAX EXEMPTION FOR HIRING LONG-TERM**
7 **UNEMPLOYED INDIVIDUALS.**

8 (a) EXTENSION.—Paragraph (1) of section 3111(d)
9 of the Internal Revenue Code of 1986 is amended by in-
10 serting “or on the day after the date of the enactment

1 of the Reducing Long-Term Unemployment Act and end-
2 ing on December 31, 2017,” after “December 31, 2010,”.

3 (b) MODIFICATION.—

4 (1) UNEMPLOYMENT REQUIREMENT.—Subpara-
5 graph (B) of section 3111(d)(3) of such Code is
6 amended to read as follows:

7 “(B) certifies by signed affidavit (under
8 penalties of perjury) that such individual, dur-
9 ing the entire 27-week period ending on the hir-
10 ing date—

11 “(i) was in receipt of unemployment
12 compensation under State or Federal law,
13 or

14 “(ii) was unemployed and would have
15 been so in receipt but for having exhausted
16 the right to such unemployment compensa-
17 tion during such period,”.

18 (2) LIMITATION.—Subsection (d) of section
19 3111 of such Code is amended by adding at the end
20 the following new paragraph:

21 “(6) LIMITATION.—The aggregate reduction in
22 tax imposed under subsection (a) by reason of para-
23 graph (1) with respect to each qualified individual in
24 the employer’s employ shall not exceed \$5,000.”.

1 (c) APPLICATION TO RAILROAD RETIREMENT
2 TAXES.—

3 (1) EXTENSION.—Paragraph (1) of section
4 3221(c) of such Code is amended by inserting “or
5 on the day after the date of the enactment of the
6 Reducing Long-Term Unemployment Act and ending
7 on December 31, 2017,” after “December 31,
8 2010,”.

9 (2) MODIFICATION.—

10 (A) UNEMPLOYMENT REQUIREMENT.—
11 Subparagraph (B) of section 3221(c)(3) of such
12 Code is amended to read as follows:

13 “(B) certifies by signed affidavit (under
14 penalties of perjury) that such individual, dur-
15 ing the entire 27-week period ending on the hir-
16 ing date—

17 “(i) was in receipt of unemployment
18 compensation under State or Federal law,
19 or

20 “(ii) was unemployed and would have
21 been so in receipt but for having exhausted
22 the right to such unemployment compensa-
23 tion during such period,”.

1 (3) LIMITATION.—Subsection (c) of section
 2 3221 of such Code is amended by adding at the end
 3 the following new paragraph:

4 “(6) LIMITATION.—The aggregate reduction in
 5 tax imposed under subsection (a) by reason of para-
 6 graph (1) with respect to each qualified individual in
 7 the employer’s employ shall not exceed \$5,000.”.

8 (d) SPECIAL RULE FOR CERTAIN CALENDAR QUAR-
 9 TERS.—For purposes of section 3111(d) and 3221(c) of
 10 such Code, if the day after the date of the enactment of
 11 this Act is not the first day of a calendar quarter, then
 12 rules similar to the rules of section 3111(d)(5) and
 13 3221(c)(5) of such Code, respectively, shall apply with re-
 14 spect to the last calendar quarter beginning before such
 15 day.

16 (e) EFFECTIVE DATES.—

17 (1) IN GENERAL.—Except as provided in para-
 18 graph (2), the amendments made by this subsection
 19 shall apply to wages paid after the date of the enact-
 20 ment of this Act.

21 (2) RAILROAD RETIREMENT TAXES.—The
 22 amendments made by subsection (c) shall apply to
 23 compensation paid after the date of the enactment
 24 of this Act.

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