I

119TH CONGRESS
1ST SESSION

H. R. 4514

To provide tax incentives that support local newspapers and other local media, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 17, 2025

Mr. MANNION introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To provide tax incentives that support local newspapers and other local media, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Local Journalism Sustainability Act''.

SEC. 2. CREDIT FOR LOCAL NEWSPAPER SUBSCRIPTIONS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after section 25E the following new section:

"SEC. 25F. LOCAL NEWSPAPER SUBSCRIPTIONS.

"(a) IN GENERAL.—In the case of an individual, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage of amounts paid or incurred for subscriptions to one or more local newspapers for the personal use of the taxpayer.

"(b) ANNUAL DOLLAR LIMITATION.—The credit allowed under subsection (a) to any taxpayer for any taxable year shall not exceed $250.

"(c) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means—

"(1) in the case of the first taxable year to which this section applies, 80 percent, and

"(2) in the case of any subsequent taxable year, 50 percent.

"(d) LOCAL NEWSPAPER.—For purposes of this section—

"(1) IN GENERAL.—The term 'local newspaper' means any print or digital publication if—

"(A) the primary content of such publication is original content derived from primary sources and relating to news and current events,

"(B) such publication primarily serves the needs of a regional or local community, “(C) the publisher of such publication employs at least one local news journalist who resides in such regional or local community, and

“(D) the publisher of such publication employs not greater than 750 employees.

“(2) LOCAL NEWS JOURNALIST.—For purposes of paragraph (1)(C), the term ‘local news journalist’ means any individual who regularly gathers, collects, photographs, records, writes, or reports news or information that concerns local events or other matters of local public interest.

“(3) AGGREGATION RULE.—

“(A) IN GENERAL.—For purposes of subparagraphs (C) and (D) of paragraph (1), all persons treated as a single employer under subsection (a) or (b) of section 52, or subsection (m) or (o) of section 414, shall be treated as one person.

“(B) EXCEPTION.—Subparagraph (A) shall not apply unless such persons are involved in the production of the same print or digital publication.

“(4) CONTINUOUS QUALIFICATION.—The requirements of subparagraphs (A) and (B) of paragraph (1) shall not be treated as met unless such requirements are met at all times during the period beginning on the date which is 2 years before the date of the enactment of this section and ending on the date that the subscription described in subsection (a) is paid or incurred.

"(5) APPLICATION TO CERTAIN ORGANIZATIONS EXEMPT FROM TAX.—In the case of any print or digital publication which is published by any organization described in section 501(c) and exempt from tax under section 501(a)—

"(A) such publication shall be treated as a local newspaper only if the publication of print and digital publications is the primary activity of such organization, and

"(B) any person making a charitable contribution (as defined in section 170(c)) to such organization may elect to treat such contribution as an amount paid or incurred for a subscription to which this section applies in lieu of treating such contribution as a charitable contribution for purposes of section 170.

"(e) TERMINATION.—No credit shall be allowed under this section for any amount paid or incurred in a taxable year ending after the close of 5-year period beginning on the date of the enactment of this section.".

(b) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 25E the following new item:

"Sec. 25F. Local newpaper subscriptions.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

SEC. 3. PAYROLL CREDIT FOR COMPENSATION OF LOCAL NEWS JOURNALISTS.

(a) IN GENERAL.—In the case of an eligible local newspaper publisher, there shall be allowed as a credit against the taxes imposed by section 3111(a) of the Internal Revenue Code of 1986 for each calendar quarter an amount equal to the applicable percentage of wages paid by such publisher to local news journalists for such calendar quarter.

(b) LIMITATIONS AND REFUNDABILITY.—

(1) WAGES TAKEN INTO ACCOUNT.—The amount of wages paid with respect to any individual which may be taken into account under subsection (a) during any calendar quarter by the eligible local newspaper publisher shall not exceed $12,500.

(2) CREDIT LIMITED TO EMPLOYMENT TAXES.—The credit allowed by subsection (a) with

respect to any calendar quarter shall not exceed the applicable employment taxes (reduced by any credits allowed under subsections (e) and (f) of section 3111 of the Internal Revenue Code of 1986) on the wages paid with respect to the employment of all the employees of the eligible local newspaper publisher for such calendar quarter.

(3) REFUNDABILITY OF EXCESS CREDIT.—

(A) IN GENERAL.—If the amount of the credit under subsection (a) exceeds the limitation of paragraph (2) for any calendar quarter, such excess shall be treated as an overpayment that shall be refunded under sections 6402(a) and 6413(b) of the Internal Revenue Code of 1986.

(B) TREATMENT OF PAYMENTS.—For purposes of section 1324 of title 31, United States Code, any amounts due to the employer under this paragraph shall be treated in the same manner as a refund due from a credit provision referred to in subsection (b)(2) of such section.

(c) DEFINITIONS.—For purposes of this section—

(1) APPLICABLE PERCENTAGE.—The term ''applicable percentage'' means—

(A) in the case of each of the first 4 calendar quarters to which this section applies, 50 percent; and

(B) in the case of each calendar quarter thereafter, 30 percent.

(2) ELIGIBLE LOCAL NEWSPAPER PUBLISHER.—The term ''eligible local newspaper publisher'' means, with respect to any calendar quarter, any employer if substantially all of the gross receipts of such employer for such calendar quarter are derived in the trade or business of publishing local newspapers (as defined in section 25F(d)(1)).

(3) LOCAL NEWS JOURNALIST.—The term ''local news journalist'' means, with respect to any eligible local newspaper publisher for any calendar quarter, any individual who provides at least 100 hours of service as a local news journalist (as defined in section 25F(d)(2)) during such calendar quarter to such eligible local newspaper publisher.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury or the Secretary's delegate.

(5) OTHER TERMS.—Any term used in this section which is also used in chapter 21 of the Internal

Revenue Code of 1986 shall have the same meaning as when used in such chapter.

(d) AGGREGATION RULE.—

(1) IN GENERAL.—All persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as one employer for purposes of this section.

(2) EXCEPTION.—Paragraph (1) shall not apply unless such persons are involved in the production of the same print or digital publication.

(e) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of sections 51(i)(1) and 280C(a) of the Internal Revenue Code of 1986 shall apply.

(f) CERTAIN GOVERNMENTAL EMPLOYERS.—This credit shall not apply to the Government of the United States, the government of any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing.

(g) ELECTION TO HAVE SECTION NOT APPLY.—This section shall not apply with respect to any eligible local newspaper publisher for any calendar quarter if such person elects (at such time and in such manner as the Secretary may prescribe) not to have this section apply.

(h) SPECIAL RULES.—

(1) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An employee shall not be included for purposes of this section for any period with respect to any employer if such employer is allowed a credit under section 51 of the Internal Revenue Code of 1986 with respect to such employee for such period.

(2) DENIAL OF DOUBLE BENEFIT.—Any wages taken into account in determining the credit allowed under this section shall not be taken into account for purposes of determining the credit allowed under section 45S of such Code.

(3) THIRD-PARTY PAYORS.—Any credit allowed under this section shall be treated as a credit described in section 3511(d)(2) of such Code.

(i) TRANSFERS TO FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND.—There are hereby appropriated to the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401) amounts equal to the reduction in revenues to the Treasury by reason of this section (without regard to this subsection). Amounts appropriated by the preceding sentence shall be transferred from the general fund at such times and in such manner as to replicate to the extent possible the transfers which would have occurred to such Trust Fund or Account had this section not been enacted.

(j) TREATMENT OF DEPOSITS.—The Secretary shall waive any penalty under section 6656 of the Internal Revenue Code of 1986 for any failure to make a deposit of any applicable employment taxes if the Secretary determines that such failure was due to the reasonable anticipation of the credit allowed under this section.

(k) REGULATIONS AND GUIDANCE.—The Secretary shall issue such forms, instructions, regulations, and guidance as are necessary—

(1) to allow the advance payment of the credit under subsection (a), subject to the limitations provided in this section, based on such information as the Secretary shall require;

(2) to provide for the reconciliation of such advance payment with the amount advanced at the time of filing the return of tax for the applicable calendar quarter or taxable year; and

(3) with respect to the application of the credit under subsection (a) to third-party payors (including

professional employer organizations, certified professional employer organizations, or agents under section 3504 of the Internal Revenue Code of 1986), including regulations or guidance allowing such payors to submit documentation necessary to substantiate the eligible employer status of employers that use such payors.

(l) APPLICATION.—This section shall only apply to calendar quarters during the first 5 calendar years beginning after the date of the enactment of this Act.

SEC. 4. CREDIT FOR ADVERTISING IN LOCAL NEWSPAPERS AND LOCAL MEDIA.

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

"SEC. 45BB. ADVERTISING IN LOCAL NEWSPAPERS AND LOCAL MEDIA.

"(a) IN GENERAL.—For purposes of section 38, in the case of any eligible small business, the local media advertising credit determined under this section for any taxable year is an amount equal to the applicable percentage of the qualified local media advertising expenses paid or incurred by the taxpayer during such taxable year.

"(b) LIMITATION.—The credit allowed under subsection (a) to any taxpayer for any taxable year shall not exceed—

"(1) in the case of the first taxable year to which this section applies, $5,000, and

"(2) in the case of any subsequent taxable year, $2,500.

"(c) APPLICABLE PERCENTAGE.—For purposes of this section, the term 'applicable percentage' means—

"(1) in the case of the first taxable year to which this section applies, 80 percent, and

"(2) in the case of any subsequent taxable year, 50 percent.

"(d) ELIGIBLE SMALL BUSINESS.—For purposes of this section, the term 'eligible small business' means any person for any taxable year if the average number of full-time employees (as determined for purposes of determining whether an employer is an applicable large employer for purposes of section 4980H(c)(2) of the Internal Revenue Code of 1986) employed by such person during such taxable year was less than 50.

"(e) QUALIFIED LOCAL MEDIA ADVERTISING EXPENSES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified local media advertising expenses' means amounts paid or incurred in the ordinary course of a trade or business for advertising in a local newspaper (as defined in section 25F(d)) or a broadcast of a local radio or television station.

"(2) LOCAL RADIO OR TELEVISION STATION.—The term 'local radio or television station' means any broadcast radio or television station licensed by the Federal Communications Commission to serve a local community.

"(f) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction shall be allowed for any qualified local media advertising expenses otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined for such taxable year under subsection (a).

"(2) AGGREGATION RULE.—All persons treated as a single employer under subsection (a) or (b) of section 52 of the Internal Revenue Code of 1986, or subsection (m) or (o) of section 414 of such Code, shall be treated as one employer for purposes of this section.

"(g) TERMINATION.—No credit shall be allowed under this section for any amount paid or incurred in a taxable year ending after the close of 5-year period beginning on the date of the enactment of this section.''.

(b) CREDIT ALLOWED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking ''plus'' at the end of paragraph (40), by striking the period at the end of paragraph (41) and inserting '', plus'', and by adding at the end the following new paragraph:

''(42) in the case of an eligible small business, the local media advertising credit determined under section 45BB(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

''Sec. 45BB. Advertising in local newspapers and local media.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after the date of the enactment of this Act.

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