Trade Adjustment Assistance (TAA), and for other purposes Act of 2015: Section-by-Section Summary

Overview:

SECTION 1: SHORT TITLE.

This section contains the short title of the bill, the "Trade Adjustment Assistance (TAA), and for other purposes Act of 2015."

SECTION 2: APPLICATION OF PROVISIONS RELATING TO TRADE ADJUSTMENT ASSISTANCE.

This section repeals the sunset provisions included in the Trade Adjustment Assistance Extension Act of 2011 and reinstates prior law as of December 31, 2013, subject to changes made under this Act, as of the date of enactment.

SECTION 3: EXTENSION OF TRADE ADJUSTMENT ASSISTANCE PROGRAM.

This section modifies the authorization termination date for the TAA for Workers, TAA for Firms, TAA for Farmers, and the Reemployment TAA programs to June 30, 2021. This section caps total annual funding for training, administrative expenses and employment and case management services expenses as well as job search and relocation allowances under the TAA for Workers program at $450 million for fiscal years 2015 through 2025, reduced from $575 million under prior law. This section continues: (1) the elimination of the individual entitlement to job search and relocation allowances, instead granting States the discretion whether to offer this allowance, based on availability of funds; (2) the requirement that within that cap, States allocate at least 10 percent of the training cap funds for administration of the TAA program, including for processing training waivers; collecting, validating, and reporting data required under the program; and providing TRA to workers; and (3) the requirement that States use no less than five percent of the funds for training for employment and case management services. The section also modifies the authorization of appropriations for TAA for Workers through June 30, 2021, and for TAA for Firms and Farmers, respectively, through fiscal year 2021.

SECTION 4: PERFORMANCE MEASUREMENT AND REPORTING.

This section amends the data collection and reporting requirements of TAA to align with the performance accountability measures and reporting requirements under similar federally funded job training programs, such as those implemented under the Workforce Innovation and Opportunity Act (WIOA). This section requires States and cooperating State agencies as well as the Secretary of Labor to prepare performance reports on an annual basis, which must be available in an easily understandable format including through electronic means. The section also includes a new definition for a recognized postsecondary credential, which includes industry-recognized certificates, also aligning with similar provisions in WIOA.

SECTION 5: APPLICABILITY OF TRADE ADJUSTMENT ASSISTANCE PROVISIONS.

This section establishes the applicable provisions of TAA for Workers as they relate to certain petitions filed on or after January 1, 2014, and the date of enactment to permit workers who were denied benefits or would have been eligible for benefits under the bill to receive them. In addition, this section provides similar determination and reconsideration special rules for firms under the TAA for Firms program.

SECTION 6: SUNSET PROVISIONS.

Under this section, beginning July 1, 2021, the law that was in effect under the TAA for Workers, Alternative Trade Adjustment Assistance, TAA for Firms, and TAA for Farmers programs on January 1, 2014, (*i.e.*, the 2002 TAA law) will again take effect except for continuing several key reductions and taking the program below 2002 levels. These reductions include: (1) the TAA for Workers program will retain the reductions in training waivers, namely narrowing the circumstances – from six to three reasons – under which a worker can obtain a waiver, covering only situations where the worker is unable to participate in training for health reasons, enrollment for training is unavailable, or the worker's approved training program is not reasonably available to the worker; (2) workers with marketable skills for suitable employment, those within two years of retirement, and those who have been notified that they will be recalled by their firm from which separation occurred will no longer be eligible for training waivers on those bases and will have to enter training sooner to continue to receive Trade Readjustment Allowances (TRA), *i.e.* weekly benefits; and (3) the TAA for Workers program in 2021 will retain the limitations on TRA, namely reducing the amount of TRA available to workers to 117 weeks of benefits, including for any pre-requisite or remedial education required, with the opportunity to receive up to an additional 13 weeks, or an increment thereof, for completion of a degree or industry-recognized credential but only if the worker has substantially met the performance benchmarks established as part of the training program, is expected to continue to make progress toward completion of that training program, and will complete that training program within that additional time period. While beneficiaries certified for benefits prior to July 1, 2021 will continue to receive benefits to the extent funds are available and the recipient is eligible to receive benefits, the authorization for TAA for Workers, Alternative Trade Adjustment Assistance, TAA for Firms, and TAA for Farmers will terminate on June 30, 2022.

SECTION 7: EXTENSION AND MODIFICATION OF THE HEALTH CARE COVERAGE TAX CREDIT.

Under prior law, certain individuals could claim a refundable health coverage tax credit (HCTC) equal to 72.5 percent of the cost of certain types of health coverage purchased prior to 2014. In general, the HCTC was available to individuals who received certain unemployment assistance due to trade-related events (*i.e.*, through Trade Adjustment Assistance), as well as individuals over age 55 who received pension benefits from the Pension Benefit Guaranty Corporation. The credit was available for certain employer-based insurance, State-based insurance, and, in some cases, insurance purchased in the individual market. The credit expired for coverage months beginning after 2013. Section 7 extends the HCTC retroactively for six years, from 2014 through 2019. The HCTC is modified to prohibit individuals from claiming the HCTC and certain other premium subsidies for the same coverage period, and to prevent use of the HCTC to purchase insurance through an Affordable Care Act Exchange.

SECTION 8: CUSTOMS USER FEES.

The provision includes a temporary extension of the increased COBRA (Consolidated Omnibus Budget Reconciliation Act) fee, which varies based on mode of transportation. The purpose of this fee is to ensure all carriers and passengers entering the United States are compliant with U.S. Customs laws. The provision also contains a temporary extension of the 2011 increase in the Merchandise Processing Fee (from 0.21 percent to 0.34 percent of import value) paid by importers who import products from countries with which the Unites States does not have a free trade agreement. The purpose of this fee is to offset the costs incurred by U.S. Customs and Border Protection (CBP) for the inspection and processing of merchandise that is formally entered or released.

SECTION 9: CHILD TAX CREDIT NOT REFUNDABLE FOR TAXPAYERS ELECTING TO EXCLUDE FOREIGN EARNED INCOME FROM TAX.

The provision conforms the rules for the additional child tax credit (ACTC) -- i.e., the refundable portion of the child credit -- with the rules for the earned income tax credit (EITC) by denying the ACTC to taxpayers who elect the foreign earned income exclusion (FEIE) under Code section 911. The FEIE allows taxpayers living overseas to exclude up to $100,800 (indexed for inflation) of foreign earned income from their gross income for U.S. tax purposes. This exclusion can lead to the unintended consequence that taxpayers earning six-figure incomes and who have no tax liability receive a check from the government for the ACTC because they appear to have low earned income.

SECTION 10: TIME FOR PAYMENT OF CORPORATE ESTIMATED TAXES.

Under current law, large corporations must pay their Federal income tax through four quarterly estimated tax payments, each in an amount equal to 25 percent of the annual tax due. For estimated tax payments made by corporations with assets of more than $1 billion in July, August, or September of 2020, the provision would increase the estimated tax by 2.75 percent of the amount otherwise due (disregarding any increases outside of the tax code). In addition, the provision would reduce the next estimated tax payment by the same amount.

SECTION 11: COVERAGE AND PAYMENT FOR RENAL DIALYSIS SERVICES FOR INDIVIDUALS WITH ACUTE KIDNEY INJURY.

This provision will allow Medicare beneficiaries with acute kidney infection to receive short-term scheduled dialysis at a Medicare-certified End Stage Renal Disease facility. This policy mirrors a proposal that was contained in the President’s FY2016 Budget. It would provide savings in this program without disrupting the level of care provided to patients.

SECTION 12: MODIFICATION OF THE MEDICARE SEQUESTER FOR FISCAL YEAR 2024.

This section modifies the sequester on Medicare mandatory spending established in the Budget Control Act for the last six months of FY2024 by changing the percentage from 0% to 0.25%. This provision would reapply the sequester to this Medicare funding beyond the first half of 2024, when it expires, to the second half of that year, but at a lower rate.