

Amendment to the Amendment in the Nature of a Substitute to Subtitle G. Budget Reconciliation Legislative Recommendations Relating to Promoting Economic Security offered by Rep. Smucker of Pennsylvania.

The amendment would create a general business credit for businesses that hire long-term unemployed workers (unemployed for more than 12 weeks): \$1,000 credit/hire (\$500 for part-time) for any qualifying business, additional \$1,000 credit/hire (full-time or part-time) for small businesses with 50 or fewer employees.

AMENDMENT

OFFERED BY Mr. Smucker

At the end of subtitle G, add the following:

1 **SEC. 9674. CREDIT FOR HIRING LONG-TERM UNEMPLOYED**
2 **INDIVIDUALS.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by adding at the end the following new
6 section:

7 **“SEC. 45U. CREDIT FOR HIRING OF LONG-TERM UNEM-**
8 **PLOYED INDIVIDUALS.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 long-term unemployed hiring credit determined under this
11 section for any taxable year is an amount equal to 50 per-
12 cent of qualified wages paid or incurred during such tax-
13 able year.

14 “(b) DOLLAR LIMITATION.—

15 “(1) IN GENERAL.—The credit determined
16 under subsection (a) with respect to any employee
17 shall not exceed—

18 “(A) \$1,000 with respect any full-time em-
19 ployee, and

1 “(B) \$500 with respect to any part-time
2 employee.

3 “(2) INCREASE FOR SMALL BUSINESSES.—In
4 the case of a taxpayer the average number of em-
5 ployees of which on business days during the taxable
6 year does not exceed 50, the limitation under para-
7 graph (1) shall be increased by \$1,000.

8 “(3) AGGREGATE LIMITATION.—With respect to
9 any employee, the limitation under paragraph (1)
10 (after the application of paragraph (2)) shall be de-
11 creased by the aggregate credits allowed to the tax-
12 payer under subsection (a) with respect to such em-
13 ployee for all prior taxable years.

14 “(c) QUALIFIED WAGES.—For purposes of this sec-
15 tion—

16 “(1) IN GENERAL.—The term ‘qualified wages’
17 means wages (within the meaning of section 51)
18 paid or incurred by the employer during the quali-
19 fied period to a qualified long-term unemployed indi-
20 vidual.

21 “(2) QUALIFIED PERIOD.—The term ‘qualified
22 period’ means, with respect to any qualified long-
23 term unemployed individual, the 21-day period be-
24 ginning on the date that such individual begins work
25 for the employer.

1 “(d) QUALIFIED LONG-TERM UNEMPLOYED INDIVIDUAL.—For purposes of this section—

2
3 “(1) IN GENERAL.—The term ‘qualified long-term unemployed individual’ means any individual

4
5 who—

6 “(A) has attained age 18 as of the hiring

7 date,

8 “(B) is authorized to be employed in the

9 United States for purposes of section 274A of

10 the Immigration and Nationality Act (8 U.S.C.

11 1324a),

12 “(C) during the period beginning on March

13 27, 2020, and ending on the hiring date—

14 “(i) began at least 1 period of unem-

15 ployment,

16 “(ii) was neither employed nor a full-

17 time student for periods aggregating not

18 less than 12 weeks, and

19 “(iii) was seeking employment for pe-

20 riods aggregating not less than 4 weeks.

21 “(2) CERTIFICATION AUTHORIZED.—The Sec-

22 retary may establish a program for appropriate

23 State or local agencies to certify the status of indi-

24 viduals as qualified long-term unemployed individ-

25 uals for purposes of this section.

1 “(e) OTHER DEFINITIONS AND SPECIAL RULES.—

2 For purposes of this section—

3 “(1) FULL-TIME EMPLOYEE.—The term ‘full-
4 time employee’ means any individual employed by
5 the employer for 40 or more hours per week on aver-
6 age with respect to weeks during the period de-
7 scribed in subsection (c)(2).

8 “(2) PART-TIME EMPLOYEE.—The term ‘part-
9 time employee’ means any individual who is not a
10 full-time employee and who is employed by the em-
11 ployer for 20 or more hours per week on average
12 with respect to weeks during the period described in
13 subsection (c)(2).

14 “(3) APPLICATION OF CERTAIN RULES.—Rules
15 similar to the rules of section 52, and subsections
16 (f)(1), (i)(1), and (i)(2) of section 51, shall apply for
17 purposes of this section.

18 “(4) NONDISPLACEMENT.—An employee shall
19 not be taken into account in determining the credit
20 allowed under this section if—

21 “(A) the hiring of such employee results in
22 the layoff or partial displacement (such as a re-
23 duction in hours, wages, or employment bene-
24 fits) of an existing employee or position of the
25 employer, or

1 “(B) such employee performs the same
2 work or substantially the same work as that
3 performed by any individual who has been laid
4 off or partially displaced and has not received
5 an offer from the employer to be restored to the
6 position the individual had immediately prior to
7 being so laid off or partially displaced.

8 “(f) TERMINATION.—No credit shall be determined
9 under this section with respect to any individual who be-
10 gins work for the employer after December 31, 2021.”.

11 (c) PART OF GENERAL BUSINESS CREDIT.—Section
12 38(b) of such Code is amended by striking “plus” at the
13 end of paragraph (32), by striking the period at the end
14 of paragraph (33) and inserting “, plus”, and by adding
15 at the end the following new paragraph:

16 “(34) the long-term unemployed hiring credit
17 determined under section 45U(a).”.

18 (e) CLERICAL AMENDMENT.—The table of sections
19 for subpart D of part IV of subchapter A of chapter 1
20 of such Code is amended by adding at the end the fol-
21 lowing new item:

 “Sec. 45U. Credit for hiring of long-term unemployed individuals.”.

22 (b) EFFECTIVE DATE.—The amendments made by
23 this section shall apply with respect to individuals who

- 1 begin work for the employer after the date of the enact-
- 2 ment of this Act.

