

**Amendment to the Amendment in the Nature of a Substitute to Ways and Means
Committee Print Providing for Reconciliation Pursuant To H.Con.Res.14 (Title XI)**

Offered by Rep. Gomez

This amendment would provide that the 45S tax credit is increased and enhanced for small businesses, businesses employing workers with earnings under \$100,000, and state paid leave plans.

AMENDMENT

OFFERED BY M____.

Strike section 110106 and insert the following:

1 **SEC. 110106. ENHANCEMENT OF PAID FAMILY AND MED-**
2 **ICAL LEAVE CREDIT.**

3 (a) IN GENERAL.—Section 45S is amended—

4 (1) in subsection (a), by adding at the end the
5 following new paragraph:

6 “(3) MODIFIED CREDIT IN THE CASE OF SPECI-
7 FIED ELIGIBLE EMPLOYERS.—

8 “(A) IN GENERAL.— In the case of a spec-
9 ified eligible employer, paragraph (2) shall not
10 apply, and the applicable percentage shall be—

11 “(i) in the case of an eligible employer
12 with 50 or fewer employees, 75 percent of
13 qualified wages, and

14 “(ii) in the case of an eligible em-
15 ployer with more than 50 employees, 50
16 percent of qualified wages, but only with
17 respect to employers that provide 12 weeks
18 of paid leave for all qualifying leave rea-
19 sons.

1 “(B) EXCEPTION.—No credit shall be pay-
2 able with respect to any specified eligible em-
3 ployer to the extent any payments are paid by
4 a state or local government.

5 “(C) REIMBURSEMENT FOR QUALIFIED
6 STATE PAID LEAVE PLANS.—

7 “(i) IN GENERAL.—In the case that
8 payments described in subparagraph (A)
9 are made pursuant to provisions of a quali-
10 fied state paid leave plan under a program
11 recognized by the Secretary, the Secretary
12 shall reimburse such state in an amount
13 equal to 50 percent of the qualified wages
14 so paid to the employee.

15 “(ii) STATE PAID LEAVE PLAN.—For
16 purposes of this subparagraph, the term
17 ‘State paid leave plan’ means any provision
18 of state law that provides a comprehensive
19 paid leave program that covers all workers
20 in the state, provided that such program
21 meets the requirements otherwise estab-
22 lished by this section, including providing a
23 wage replacement rate that is at least
24 equivalent to that required for employers
25 under subparagraph (A).

1 “(iii) COMPREHENSIVE PAID LEAVE
2 PROGRAM.—For purposes of this subpara-
3 graph, the term ‘comprehensive paid leave
4 program’ means a program that provides
5 for paid leave benefits for any reason de-
6 scribed in subsection (e)(1).”, and

7 (2) in subsection (c), by striking paragraph (4)
8 and inserting the following:

9 “(4) SPECIFIED ELIGIBLE EMPLOYER.—The
10 term ‘specified eligible employer’ means an employer
11 with a written policy applicable to all workers pro-
12 vides that—

13 “(A) employees are guaranteed reinstatement
14 to their current job or an equivalent job
15 after leave,

16 “(B) employees are provided continuation
17 of any employer-sponsored group health insurance,
18

19 “(C) employees have the right to appeal
20 adverse decisions internally, and if denied benefits
21 internally, to escalate such appeal to the
22 Secretary,

23 “(D) there is no fee or payment required
24 for the employee to receive coverage of benefits
25 during leave, and

1 “(E) the employer shall not penalize, dis-
2 criminate against, or retaliate against employ-
3 ees who exercise their right to paid leave.”,
4 (3) by striking subsection (d)(2), and
5 (4) in subsection (f), by inserting “or a speci-
6 fied eligible employer” after “eligible employer”.
7 (b) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 December 31, 2025.

