

115TH CONGRESS
1ST SESSION

H. R. 2680

To amend the Internal Revenue Code of 1986 to provide for a credit against tax for certain small businesses hiring new employees.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2017

Mr. CRIST (for himself and Mr. THOMAS J. ROONEY of Florida) 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 for a credit against tax for certain small businesses hiring new employees.

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 “Small Business Tax
5 Relief and Jobs Act of 2017”.

6 **SEC. 2. CREDIT FOR WAGES FOR NEW HIRES FOR CERTAIN**
7 **SMALL BUSINESSES.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45S. WAGES FOR NEW HIRES FOR CERTAIN SMALL**
4 **BUSINESSES.**

5 “(a) IN GENERAL.—For purposes of section 38, the
6 new hire small business credit determined under this sec-
7 tion for the taxable year is an amount equal to 3.825 per-
8 cent of the qualified wages paid or incurred by an eligible
9 small business for such year.

10 “(b) DEFINITIONS.—For purposes of this section—

11 “(1) QUALIFIED WAGES.—

12 “(A) IN GENERAL.—The term ‘qualified
13 wages’ means wages paid or incurred by the
14 taxpayer for services rendered by a qualified
15 employee during a qualified year.

16 “(B) QUALIFIED EMPLOYEE.—The term
17 ‘qualified employee’ means, with respect to an
18 employer with respect to a qualified year, an
19 employee hired during the hiring year for such
20 qualified year who is not an individual described
21 in section 51(i)(2).

22 “(C) LIMITATIONS.—

23 “(i) WAGES.—The amount of the
24 qualified first-year wages which may be

1 taken into account with respect to any em-
2 ployee shall not exceed \$100,000 per year.

3 “(ii) EMPLOYEES.—An eligible small
4 business may not take into account quali-
5 fied wages for more than 3 employees in a
6 year.

7 “(2) WAGES.—The term ‘wages’ has the mean-
8 ing given to such term by subsection (b) of section
9 3306 (determined without regard to any dollar limi-
10 tation contained in such section).

11 “(3) QUALIFIED YEAR.—The term ‘qualified
12 year’ means, with respect to an employee and an
13 employer—

14 “(A) a year (the ‘hiring year’) in which
15 such employee was first employed by such em-
16 ployer, and

17 “(B) each year during the two-year period
18 following such hiring year.

19 “(4) ELIGIBLE SMALL BUSINESS.—The term
20 ‘eligible small business’ means any person if—

21 “(A) the gross receipts of such person for
22 the preceding taxable year did not exceed
23 \$1,500,000, and

1 “(B) such person employed not more than
2 20 full-time employees during the preceding
3 taxable year.

4 “(c) APPLICATION OF CERTAIN RULES.—Rules simi-
5 lar to the rules of subsections (f), (g), (i), (j), and (k)
6 of section 51, and section 52, shall apply for the purposes
7 of this section.

8 “(d) SUNSET.—This section shall not apply to
9 amounts paid or incurred after December 31, 2022.”.

10 (b) DENIAL OF DOUBLE BENEFITS.—Subsection (a)
11 of section 280C of such Code is amended by inserting “,
12 45S(a)” after “46P(a)”.

13 (c) CONFORMING AMENDMENTS.—

14 (1) Section 38(b) of such Code is amended by
15 striking “plus” at the end of paragraph (35), by
16 striking the period at the end of paragraph (36),
17 and inserting “, plus”, and by adding at the end the
18 following new paragraph:

19 “(37) the new hires small business credit deter-
20 mined under section 45S.”.

21 (2) The table of sections for subpart D of part
22 IV of subchapter A of chapter 1 of such Code is
23 amended by adding at the end the following new
24 item:

“Sec. 45S. Wages for new hires for small businesses.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2017.

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