

112TH CONGRESS  
2D SESSION

# H. R. 4167

To amend the Internal Revenue Code of 1986 to allow employers a refundable credit for increasing employment.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 8, 2012

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

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## A BILL

To amend the Internal Revenue Code of 1986 to allow employers a refundable credit for increasing employment.

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 “Tax Credits for Jobs  
5 Now Act of 2012”.

6 **SEC. 2. CREDIT FOR INCREASING EMPLOYMENT.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 (relating to refundable credits) is amended by insert-  
10 ing after section 36B the following new section:

1 **“SEC. 36C. CREDIT FOR INCREASING EMPLOYMENT.**

2 “(a) IN GENERAL.—There shall be allowed as a cred-  
3 it against the tax imposed by this subtitle—

4 “(1) for any taxable year beginning in 2012, an  
5 amount equal to 60 percent of the excess of—

6 “(A) the aggregate wages paid during  
7 2012, over

8 “(B) the aggregate wages paid during  
9 2011, and

10 “(2) for any taxable year beginning in 2013, an  
11 amount equal to 40 percent of the excess of—

12 “(A) the aggregate wages paid during  
13 2013, over

14 “(B) the aggregate inflation-adjusted  
15 wages paid during 2012.

16 “(b) MAXIMUM CREDIT.—The amount of the credit  
17 allowable under this section for any employer with respect  
18 to any calendar year shall not exceed \$500,000.

19 “(c) MINIMUM PRECEDING YEAR WAGES.—For pur-  
20 poses of subsection (a)—

21 “(1) the amount taken into account under para-  
22 graph (1)(B) thereof shall not be less than 50 per-  
23 cent of the amount described in paragraph (1)(A)  
24 thereof, and

25 “(2) the amount taken into account under para-  
26 graph (2)(B) thereof shall not be less than 50 per-

1 cent of the amount described in paragraph (2)(A)  
2 thereof.

3 “(d) TOTAL WAGES MUST INCREASE.—The amount  
4 of credit allowed under this section for any taxable year  
5 shall not exceed the amount which would be so allowed  
6 for such year (without regard to subsection (c)) if—

7 “(1) the aggregate amounts taken into account  
8 as wages were determined without any dollar limita-  
9 tion, and

10 “(2) 103 percent of the amount of wages other-  
11 wise required to be taken into account under sub-  
12 section (a)(1)(B) or subsection (a)(2)(B), as the  
13 case may be, were taken into account.

14 “(e) WAGES; INFLATION-ADJUSTED WAGES.—For  
15 purposes of this section:

16 “(1) IN GENERAL.—Except as provided in para-  
17 graph (2), the term ‘wages’ has the meaning given  
18 to such term by section 3306(b).

19 “(2) RAILWAY AND AGRICULTURAL LABOR.—  
20 Rules similar to the rules of section 51(h) shall  
21 apply for purposes of this section.

22 “(3) INFLATION-ADJUSTED WAGES.—The term  
23 ‘inflation-adjusted wages’ means the aggregate  
24 wages paid during 2012 increased by an amount  
25 equal to—

1           “(A) such aggregate wages, multiplied by  
2           “(B) the cost-of-living adjustment deter-  
3           mined under section 1(f)(3) for 2012, deter-  
4           mined by substituting ‘calendar year 2010’ for  
5           ‘calendar year 1992’ in subparagraph (B)  
6           thereof.

7           Any increase determined under the preceding sen-  
8           tence shall be rounded in such manner as the Sec-  
9           retary shall prescribe.

10          “(f) SPECIAL RULES.—

11           “(1) ADJUSTMENTS FOR CERTAIN ACQUI-  
12           TIONS, ETC.—

13           “(A) ACQUISITIONS.—If, after December  
14           31, 2010, an employer acquires the major por-  
15           tion of a trade or business of another person  
16           (hereinafter in this subparagraph referred to as  
17           the ‘predecessor’) or the major portion of a sep-  
18           arate unit of a trade or business of a prede-  
19           cessor, then, for purposes of applying this sec-  
20           tion for any calendar year ending after such ac-  
21           quisition, the amount of wages deemed paid by  
22           the employer during periods before such acqui-  
23           sition shall be increased by so much of such  
24           wages paid by the predecessor with respect to  
25           the acquired trade or business as is attributable

1 to the portion of such trade or business ac-  
2 quired by the employer.

3 “(B) DISPOSITIONS.—If, after December  
4 31, 2010—

5 “(i) an employer disposes of the major  
6 portion of any trade or business of the em-  
7 ployer or the major portion of a separate  
8 unit of a trade or business of the employer  
9 in a transaction to which subparagraph  
10 (A) applies, and

11 “(ii) the employer furnishes the ac-  
12 quiring person such information as is nec-  
13 essary for the application of subparagraph  
14 (A),

15 then, for purposes of applying this section for  
16 any calendar year ending after such disposition,  
17 the amount of wages deemed paid by the em-  
18 ployer during periods before such disposition  
19 shall be decreased by so much of such wages as  
20 is attributable to such trade or business or sep-  
21 arate unit.

22 “(2) CHANGE IN STATUS FROM SELF-EM-  
23 PLOYED TO EMPLOYEE.—If—

24 “(A) during 2011 or 2012 an individual  
25 has net earnings from self-employment (as de-

1            fined in section 1402(a)) which are attributable  
2            to a trade or business, and

3            “(B) for any portion of the succeeding cal-  
4            endar year such individual is an employee of  
5            such trade or business,

6            then, for purposes of determining the credit allow-  
7            able for a taxable year beginning in such succeeding  
8            calendar year, the employer’s aggregate wages for  
9            2011 or 2012, as the case may be, shall be increased  
10          by an amount equal to so much of the net earnings  
11          referred to in subparagraph (A) as does not exceed  
12          the median household income in the United States  
13          for 2011 or 2012, as the case may be.

14          “(3) CERTAIN OTHER RULES TO APPLY.—Rules  
15          similar to the following rules shall apply for pur-  
16          poses of this section:

17                  “(A) Section 51(f) (relating to remunera-  
18                  tion must be for trade or business employment).

19                  “(B) Section 51(i)(1) (relating to related  
20                  individuals ineligible).

21                  “(C) Section 51(k) (relating to treatment  
22                  of successor employers; treatment of employees  
23                  performing services for other persons).

24                  “(D) Section 52 (relating to special rules).

1           “(4) SHORT TAXABLE YEARS.—If the employer  
2           has more than 1 taxable year beginning in 2012 or  
3           2013, the credit under this section shall be deter-  
4           mined for the employer’s last taxable year beginning  
5           in 2012 or 2013, as the case may be.”.

6           (b) DENIAL OF DOUBLE BENEFIT.—Subsection (a)  
7 of section 280C of such Code is amended by inserting  
8 “36C(a),” before “45A(a)”.

9           (c) CONFORMING AMENDMENTS.—

10           (1) Section 1324(b)(2) of title 31, United  
11 States Code, is amended by inserting “36C,” after  
12 “36B,”.

13           (2) The table of sections for subpart C of part  
14 IV of subchapter A of chapter 1 of such Code is  
15 amended by inserting after the item relating to sec-  
16 tion 36B the following new item:

“Sec. 36C. Credit for increasing employment.”.

17           (d) EFFECTIVE DATE.—The amendments made by  
18 this section shall apply to taxable years beginning after  
19 December 31, 2011.

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