

111TH CONGRESS
1ST SESSION

H. R. 4412

To amend the Internal Revenue Code of 1986 to impose a 50 percent tax on bonuses paid by TARP recipients.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 19, 2009

Mr. WELCH introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to impose a 50 percent tax on bonuses paid by TARP recipients.

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 “Wall Street Bonus Tax
5 Act”.

1 **SEC. 2. EXCISE TAX ON BONUSES RECEIVED BY EMPLOY-**
2 **EES OF BUSINESSES RECEIVING TARP**
3 **FUNDS.**

4 (a) IN GENERAL.—Chapter 46 of the Internal Rev-
5 enue Code of 1986 is amended by adding at the end the
6 following new section:

7 **“SEC. 4999A. BONUSES PAID BY TARP RECIPIENTS.**

8 “(a) IN GENERAL.—In the case of any payment of
9 compensation during 2010 in the nature of a bonus by
10 a TARP recipient to any employee or former employee of
11 such recipient, there is hereby imposed a tax equal to 50
12 percent of so much of such compensation as exceeds
13 \$50,000.

14 “(b) TAX PAID BY TARP RECIPIENT.—The tax im-
15 posed by this section shall be paid by such TARP recipi-
16 ent.

17 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-
18 poses of this section—

19 “(1) TARP RECIPIENT.—The term ‘TARP re-
20 cipient’ means any person who receives funds under
21 title I of the Emergency Economic Stabilization Act
22 of 2008.

23 “(2) EMPLOYEE.—The term ‘employee’ includes
24 officers and executives.

25 “(3) ENTITIES ACQUIRED BY TARP RECIPI-
26 ENTS.—If more than 50 percent of the equity inter-

1 (c) FUNDING.—The Administrator of the Small Busi-
2 ness Administration shall carry out the program estab-
3 lished under subsection (a) using amounts made available
4 to the Administrator under section 9511 of the Internal
5 Revenue Code of 1986.

6 (d) SMALL BUSINESS CONCERN DEFINED.—The
7 term “small business concern” has the meaning given such
8 term under section 3(a) of the Small Business Act (15
9 U.S.C. 632(a)).

10 **SEC. 4. SMALL BUSINESS GROWTH FUND.**

11 (a) IN GENERAL.—Chapter 98 of the Internal Rev-
12 enue Code of 1986 is amended by adding at the end the
13 following new section:

14 **“SEC. 9511. SMALL BUSINESS GROWTH FUND.**

15 “(a) CREATION OF TRUST FUND.—There is estab-
16 lished in the Treasury of the United States a trust fund
17 to be known as the ‘Small Business Growth Fund’, con-
18 sisting of such amounts as may be appropriated or cred-
19 ited to such Fund as provided in this section or section
20 9602(b).

21 “(b) TRANSFERS TO TRUST FUND.—There are here-
22 by appropriated to the Small Business Growth Fund
23 amounts equivalent to the taxes received in the Treasury
24 under section 4999A.

1 “(c) EXPENDITURES.—Amounts in the Small Busi-
2 ness Growth Fund shall be available, as provided in appro-
3 priations Acts, only for carrying out the direct lending
4 program for small business concerns under section 3 of
5 the Wall Street Bonus Act, as in effect on the date of
6 the enactment of such Act.”.

7 (b) CLERICAL AMENDMENT.—The table of sections
8 for chapter 98 of such Code is amended by adding at the
9 end the following new item:

“Sec. 9511. Small Business Growth Fund.”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall take effect on the date of the enactment
12 of this Act.

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