### 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 ests in any person is acquired by a TARP recipient,
- 2 such person shall be treated as a TARP recipient for
- 3 purposes of this section and subsection (a) shall
- 4 apply to applicable compensation paid by such per-
- 5 son after the earlier of the date of such acquisition
- 6 or the date that such acquisition is announced.
- 7 "(4) CERTAIN CONTROLLED GROUPS, ETC.—All
- 8 employees who are treated as employed by a single
- 9 employer under subsections (b), (c), or (m) of sec-
- tion 414 shall be treated as employed by a single
- employer for purposes of this section.".
- 12 (b) CLERICAL AMENDMENT.—The table of sections
- 13 for chapter 46 of such Code is amended by adding at the
- 14 end the following new item:

"Sec. 4999A. Bonuses paid by TARP recipients.".

### 15 SEC. 3. DIRECT LENDING PROGRAM FOR SMALL BUSINESS

- 16 **CONCERNS.**
- 17 (a) Establishment.—The Administrator of the
- 18 Small Business Administration shall establish and carry
- 19 out a program under which the Administrator is author-
- 20 ized to make loans directly to small business concerns.
- 21 (b) ADMINISTRATION.—To the extent practicable, the
- 22 Administrator of the Small Business Administration shall
- 23 carry out the program established under subsection (a) in
- 24 a manner similar to the loan program under section 7(a)
- 25 of the Small Business Act (15 U.S.C. 636(a)).

- 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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