

112<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 6675

To direct the Secretary of Commerce to establish a program under which preloaded debit cards are made available for the purchase of certain goods and services.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 18, 2012

Mr. ANDREWS introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Armed Services, 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

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## A BILL

To direct the Secretary of Commerce to establish a program under which preloaded debit cards are made available for the purchase of certain goods and services.

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 “Economic Stimulus,  
5 Tax Credit Act of 2012”.

6 **SEC. 2. DEBIT CARD STIMULUS PROGRAM.**

7 (a) IN GENERAL.—The Secretary of Commerce, in  
8 consultation with the Secretary of the Treasury, shall es-

1 tablish a debit card stimulus program, under which the  
2 Secretary of Commerce shall issue pre-loaded debit cards  
3 to eligible taxpayers.

4 (b) AMOUNT ON DEBIT CARD.—The amount loaded  
5 on a debit card pursuant to subsection (a) shall be the  
6 sum of—

7 (1)(A) \$5,000 in the case of an eligible tax-  
8 payer who filed a joint return for the first taxable  
9 year beginning in 2011, and

10 (B) \$3,000 in the case of an eligible taxpayer  
11 who filed an individual return of income tax for the  
12 first taxable year beginning in 2011, plus

13 (2) \$500 only in the case of an eligible taxpayer  
14 who uses the debit card to acquire an automobile  
15 subject to subsection (f)(5).

16 (c) ELIGIBILITY.—

17 (1) A taxpayer is eligible if the taxpayer is a  
18 citizen of the United States and the gross income of  
19 the taxpayer for taxable year 2011 does not exceed  
20 the applicable limit.

21 (2)(A) For taxpayers filing a joint income tax  
22 return the applicable limit is the sum of \$75,000,  
23 plus the phaseout amount.

1 (B) For taxpayers filing an individual tax re-  
2 turn the applicable limit is the sum of \$50,000, plus  
3 the phaseout amount.

4 (d) PHASEOUT AMOUNT.—The phaseout amount  
5 shall be \$4,999 less 20% of that amount for each thou-  
6 sand dollars in gross income above the eligible gross in-  
7 come amounts of \$75,000 and \$50,000 respectively, re-  
8 sulting in no eligibility at income levels of \$80,000 and  
9 \$55,000 respectively.

10 (e) GROSS INCOME.—The term “gross income” has  
11 the meaning given such term by Section 61 of the Internal  
12 Revenue Code of 1986.

13 (f) DEBIT CARD STIMULUS PROGRAM.—For pur-  
14 poses of this section, the debit card stimulus program es-  
15 tablished under subsection (a) is a program which shall  
16 be subject to the following terms and conditions:

17 (1) The debit card is active for a 6-month pe-  
18 riod. Any amount remaining on the debit card at the  
19 end of the 6-month period is forfeited.

20 (2) The debit card ceases to be active when the  
21 balance on the card is zero.

22 (3) An active debit card is issued to the eligible  
23 taxpayer. In the case of a joint return, an active  
24 debit card is issued to the taxpayer and a debit card  
25 is issued to the spouse of the taxpayer, with the

1 total dollar amount preloaded on both cards jointly  
2 equaling the \$5,000/\$5,500 limit.

3 (4) The debit card may be used for the fol-  
4 lowing types of purchases:

5 (A) Durable goods.

6 (B) Clothes.

7 (C) Services (other than medical services  
8 and business-related legal services) performed  
9 within the United States.

10 (D) Residential home mortgage payments  
11 where the debtor is at least three months in ar-  
12 rears, as of the effective date of this Act. This  
13 shall be limited by regulation to a specific por-  
14 tion of the funds provided under this Act.

15 (5) A debit card may only be used for the ac-  
16 quisition of a passenger automobile if—

17 (A) the original use of the automobile be-  
18 gins with the taxpayer,

19 (B) the acquisition is by way of an 18-  
20 month renewable (at the lessee's option) lease,  
21 and

22 (C) the automobile was manufactured in  
23 the United States by a manufacturer if the  
24 headquarters of the parent of the manufacturer  
25 (as of December 31, 2008) is either—

- 1 (i) located in the United States, or  
2 (ii) located in a country which the  
3 Secretary of Commerce has certified has  
4 opened its markets to all automobiles man-  
5 ufactured in the United States.

6 For purposes of this paragraph, the term “passenger  
7 automobile” has the meaning given such term by  
8 section 32901(a)(18) of title 49, United States  
9 Code.

10 (6) The debit card may not be used for any  
11 purchase of a good or service, or the acquisition of  
12 a passenger automobile under a lease, if the cost of  
13 such good, service, or lease is greater than the  
14 amount provided under the debit card stimulus pro-  
15 gram.

16 (7) Not more than one-third of the amount on  
17 the debit card may be expended within any 2-month  
18 period unless the expenditure is for the acquisition  
19 of a single good, service, or lease.

20 (8) Acquisitions after the effective date of the  
21 debit card stimulus program (but prior to its imple-  
22 mentation) shall be reimbursable under the program,  
23 as follows:

1           (A) The sales receipt relating to the acqui-  
2           sition shall be presented to the merchant who  
3           provided the goods or services.

4           (B) The merchant would place those acqui-  
5           sitions on the debit card once the program is  
6           fully implemented.

7           (9) The program shall be subject to such other  
8           terms and conditions as the Secretary of Commerce  
9           shall specify by regulations.

10          (g) ELIGIBLE TAXPAYERS.—For purposes of this sec-  
11          tion—

12           (1) IN GENERAL.—A taxpayer is an eligible tax-  
13           payer if the taxpayer is a citizen of the United  
14           States.

15           (2) DEPENDENTS NOT ELIGIBLE.—An indi-  
16           vidual with respect to whom a deduction under sec-  
17           tion 151 is allowable to another taxpayer for the  
18           most recent taxable year for which a return is re-  
19           quired (but for any threshold amount) to be filed  
20           shall not be treated as an eligible taxpayer for pur-  
21           poses of this section.

22           (3) SPECIAL RULE RELATING TO PRISONERS.—  
23           An individual may not use a debit card issued pursu-  
24           ant to this section during any period of incarceration  
25           in a Federal, State, or local prison.

1 (h) EMPLOYEE RETENTION TAX CREDIT.—

2 (1) IN GENERAL.—There shall be allowed to the  
3 employer of any qualified retained employee a credit  
4 against the tax imposed by chapter 1 of the Internal  
5 Revenue Code of 1986 in the amount of the em-  
6 ployee retention credit.

7 (2) EMPLOYEE RETENTION CREDIT.—

8 (A) IN GENERAL.—For purposes of para-  
9 graph (1), the employee retention credit for the  
10 taxable year of the employer which includes the  
11 last day of the employee retention period is an  
12 amount equal to the excess (if any) of—

13 (i) \$3,000 multiplied by the number  
14 of qualified retained employees, less

15 (ii) \$3,000 multiplied by the number  
16 of specified dismissed employees.

17 (B) INCREASE IN CREDIT AMOUNT.—The  
18 \$3,000 amount in subparagraph (A)(i) shall be  
19 increased to the highest level that the Secretary  
20 of the Treasury determines would not cause the  
21 aggregate amount of the credits allowed by  
22 paragraph (1) to be a revenue loss to the  
23 Treasury. For purposes of this subparagraph,  
24 the determination shall be based on—

1 (i) the amount of Federal income tax  
2 withheld from each qualified retained em-  
3 ployee during the period of employment  
4 under the program and the employee re-  
5 tention period, and

6 (ii) all unemployment benefits which  
7 that employee would have continued to re-  
8 ceive during the period of employment  
9 under the program and the employee re-  
10 tention period had that employee not been  
11 employed.

12 (3) QUALIFIED RETAINED EMPLOYEE.—For  
13 purposes of paragraph (1), an employee is a quali-  
14 fied retained employee if the employee—

15 (A) whose hiring date with the employer is  
16 after the beginning of the debit card stimulus  
17 program and who first begins work before the  
18 end of the program, and

19 (B) who, without a break in service, per-  
20 forms services in the United States for the em-  
21 ployer for the employee retention period.

22 (4) EMPLOYEE RETENTION PERIOD.—For pur-  
23 poses of this subsection, the employee retention pe-  
24 riod is the 6-month period beginning on the day  
25 after the end of the debit card stimulus program.



1           (5) SPECIFIED DISMISSED EMPLOYEE.—For  
2 purposes of paragraph (1), an employee is a speci-  
3 fied dismissed employee of an employer if—

4           (A) the employee was performing services  
5 in the United States for the employer before the  
6 beginning of the debit card stimulus program,  
7 and

8           (B) the employee was separated from serv-  
9 ice during the 12-month period beginning on  
10 the first day of the program.

11          (6) EMPLOYEE.—For purposes of this sub-  
12 section, an employee shall not be taken into account  
13 for purposes of this subsection unless the employee  
14 typically performs not less than 35 hours of service  
15 (or the equivalent thereof) for the employer. For  
16 purposes of the preceding sentence, the term “hour  
17 of service” means a time of service determined under  
18 regulations prescribed by the Secretary of Labor.

19          (7) BUSINESS CREDIT.—The credit allowed  
20 under paragraph (1) shall be treated as a business  
21 credit allowed under subpart D of part IV of sub-  
22 chapter A of chapter 1 of the Internal Revenue Code  
23 of 1986.

1 (i) REGULATIONS.—The Secretary of the Treasury or  
2 the Secretary’s delegate shall issue such regulations as  
3 may be necessary to carry out this Act.

4 **SEC. 3. APPROPRIATIONS.**

5 (a) EXCESS FUNDS FROM OPERATION ENDURING  
6 FREEDOM.—Funds made available to the Department of  
7 Defense for Overseas Contingency Operations that are in  
8 excess of the amounts required by the Department for Op-  
9 eration Enduring Freedom because of the redeployment  
10 of members of the Armed Forces of the United States  
11 from Afghanistan are hereby made available to carry out  
12 this Act.

13 (b) REPATRIATION OF FOREIGN EARNINGS.—The  
14 amount equal to the taxes received in the Treasury of the  
15 United States pursuant to any provision of law enacted  
16 pursuant to an Act of Congress enacted after the date of  
17 the enactment of this Act which provides for a reduced  
18 tax rate on profits held outside the United States by do-  
19 mestic corporations upon the return of such funds to the  
20 United States.

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