

112TH CONGRESS  
1ST SESSION

# H. R. 2120

To amend the Internal Revenue Code of 1986 to include individuals who have exhausted all rights to emergency unemployment compensation under title IV of the Supplemental Appropriations Act, 2008 as a targeted group for purposes of the work opportunity tax credit.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 3, 2011

Ms. JACKSON LEE of Texas 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 include individuals who have exhausted all rights to emergency unemployment compensation under title IV of the Supplemental Appropriations Act, 2008 as a targeted group for purposes of the work opportunity tax credit.

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. FINDINGS.**

4 The Congress finds the following:

5 (1) 99ers are a group of people whose numbers  
6 have increased six fold in the past 3 years, and com-

1       prise nearly 10 percent of the unemployment in the  
2       third quarter of 2010 (Department of Labor).

3               (2) From December 2007 to October 2010, the  
4       unemployment rate for persons unemployed for more  
5       than 99 weeks rose from 0.1 percent to 1.0 percent  
6       with an estimate taken in October of 2010 of 1.4  
7       million very long-term unemployed (CRS – R41559).

8               (3) Before extended benefits expired on Novem-  
9       ber 30, 2010, 24 States and Washington, District of  
10      Columbia, offered the full 99 weeks of unemploy-  
11      ment benefits, 6 States offered unemployment bene-  
12      fits for 93 weeks, 5 States had unemployment bene-  
13      fits for 86 weeks, 9 States allowed 73 weeks, and 5  
14      States were at 60 weeks, with only Mississippi offer-  
15      ing 79 weeks of unemployment benefits (The Center  
16      on Budget and Policy Priorities).

17              (4) The number of unemployed persons in De-  
18      cember 2010 dropped to 14.5 million with an unem-  
19      ployment rate of 9.4 percent (Department of Labor).

20   **SEC. 2. WORK OPPORTUNITY CREDIT FOR 99ERS.**

21              (a) IN GENERAL.—Paragraph (1) of section 51(d) of  
22      the Internal Revenue Code of 1986 is amended by striking  
23      “or” at the end of subparagraph (H), by striking the pe-  
24      riod at the end of subparagraph (I) and inserting “, or”,  
25      and by adding at the end the following:

1 “(J) a 99er.”

2 (b) 99ER DEFINED.—Subsection (d) of section 51 of  
3 such Code is amended by redesignating paragraphs (11)  
4 through (14) as paragraphs (12) through (15), respec-  
5 tively, and by inserting after paragraph (10) the following:

6 “(11) 99ER.—

7 “(A) IN GENERAL.—The term ‘99er’  
8 means an individual who, before the end of the  
9 2-year period beginning on the date of the en-  
10 actment of this paragraph, is certified by the  
11 designated local agency as having exhausted all  
12 rights to emergency unemployment compensa-  
13 tion under title IV of the Supplemental Appro-  
14 priations Act, 2008 during the period beginning  
15 on December 1, 2007, and ending on the hiring  
16 date.

17 “(B) EXHAUSTION OF RIGHTS.—An indi-  
18 vidual shall be considered to satisfy subpara-  
19 graph (A) only if—

20 “(i) no payments of emergency unem-  
21 ployment compensation under title IV of  
22 the Supplemental Appropriations Act,  
23 2008 can be made because—

24 “(I) such individual has received  
25 the maximum level of regular com-

1                   pensation, extended compensation,  
2                   and emergency unemployment com-  
3                   pensation within their State, or

4                   “(II) such individual’s rights to  
5                   such compensation have been termi-  
6                   nated by reason of section 4007(b)(3)  
7                   of such Act, and

8                   “(ii) in the case of an individual to  
9                   whom an election described in section  
10                  4001(e) of such Act applies, no payments  
11                  of extended compensation can be made  
12                  under the applicable State law because—

13                  “(I) such individual has ex-  
14                  hausted the maximum level of regular  
15                  compensation, extended compensation,  
16                  and emergency unemployment com-  
17                  pensation applicable within their  
18                  State, or

19                  “(II) such individual’s rights to  
20                  such compensation have been termi-  
21                  nated by reason of such individual has  
22                  exhausted the maximum level of such  
23                  compensation applicable within their  
24                  State.

1           “(C) DEFINITIONS.—For purposes of this  
2 paragraph—

3           “(i) the terms ‘regular compensation’,  
4 ‘extended compensation’, and ‘State law’  
5 have the respective meanings given them  
6 under section 205 of the Federal-State Ex-  
7 tended Unemployment Compensation Act  
8 of 1970, and

9           “(ii) the term ‘employment’ has the  
10 meaning given such term under the appli-  
11 cable State law.

12           “(D) SPECIAL RULES.—

13           “(i) FIRST-YEAR CREDIT AMOUNT FOR  
14 INDIVIDUALS PERFORMING BETWEEN 120  
15 AND 400 HOURS OF SERVICE.—Notwith-  
16 standing subsection (i)(3)(B), in the case  
17 of qualified first year wages paid to a 99er  
18 who has performed at least 120 hours, but  
19 less than 400 hours, of service for the em-  
20 ployer, subsection (a) shall be applied by  
21 substituting ‘25 percent’ for ‘40 percent’.

22           “(ii) SECOND-YEAR CREDIT  
23 AMOUNT.—With respect to the employment  
24 of a 99er, the amount of the work oppor-  
25 tunity credit determined under this section

1 for the taxable year shall include 25 per-  
2 cent of the qualified second-year wages for  
3 such year.

4 “(E) QUALIFIED SECOND-YEAR WAGES.—  
5 The term ‘qualified second-year wages’ means  
6 qualified wages—

7 “(i) which are paid to a 99er, and

8 “(ii) which are attributable to service  
9 rendered during the 1-year period begin-  
10 ning on the day after the last day of the  
11 1-year period with respect to such recipient  
12 determined under subsection (b)(2).

13 “(F) LIMITATION ON WAGES PER YEAR  
14 TAKEN INTO ACCOUNT.—For purposes of this  
15 paragraph, the amount of the qualified first-  
16 year wages and qualified second-year wages  
17 which may be taken into account with respect  
18 to any individual shall not exceed \$10,000 per  
19 year.

20 “(G) CREDIT MADE REFUNDABLE.—

21 “(i) IN GENERAL.—In the case of an  
22 eligible employer of an employee, the ag-  
23 gregate credits allowed to a taxpayer under  
24 subpart C shall be increased by the credit  
25 which would be allowed under this section

1 by reason of subsection (d)(1)(J), without  
2 regard to this subparagraph and sections  
3 38(c) and 52(c).

4 The amount of the credit allowed under  
5 this subparagraph shall not be treated as  
6 a credit allowed under section 38.

7 “(ii) ELIGIBLE EMPLOYER.—For pur-  
8 poses of this subsection, the term ‘eligible  
9 employer’ means an employer which is—

10 “(I) a State or political subdivi-  
11 sion thereof, the District of Columbia,  
12 a possession of the United States, or  
13 an agency or instrumentality of any of  
14 the foregoing, or

15 “(II) any organization described  
16 in section 501(c) and exempt from  
17 taxation under section 501(a).”.

18 (c) EFFECTIVE DATE.—The amendments made by  
19 this section shall apply to individuals who begin work for  
20 the employer after the date of the enactment of this Act.

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