

116TH CONGRESS
2D SESSION

H. R. 7721

To amend the Internal Revenue Code of 1986 to allow a refundable credit against tax for farmers who hire unemployed workers.

IN THE HOUSE OF REPRESENTATIVES

JULY 22, 2020

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

A BILL

To amend the Internal Revenue Code of 1986 to allow a refundable credit against tax for farmers who hire unemployed workers.

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 “Farm Labor Expan-
5 sion Act of 2020” or the “FLEX Act”.

6 **SEC. 2. DISPLACED FARM WORKER CREDIT.**

7 (a) IN GENERAL.—Subpart C of part IV of sub-
8 chapter A of chapter 1 is amended by inserting before sec-
9 tion 37 the following new section:

1 **“SEC. 36C. DISPLACED FARM WORKER CREDIT.**

2 “(a) IN GENERAL.—In the case of a taxpayer en-
3 gaged in the trade or business of farming, there shall be
4 allowed as a credit against the tax imposed by this subtitle
5 an amount equal to 40 percent of the qualified first-year
6 wages of an eligible replacement worker.

7 “(b) DEFINITIONS AND SPECIAL RULES.—For pur-
8 poses of this section—

9 “(1) QUALIFIED FIRST-YEAR WAGES.—

10 “(A) IN GENERAL.—The term ‘qualified
11 first-year wages’ means, with respect to an eli-
12 gible replacement worker, wages attributable to
13 service rendered during the 1-year period begin-
14 ning with the day the individual begins work for
15 the employer.

16 “(B) WAGES.—The term ‘wages’ has the
17 meaning given to such term by section 3306(b)
18 (determined without regard to any dollar limita-
19 tion contained in such section).

20 “(C) LIMITATION.—The amount of wages
21 taken into account with respect to any employee
22 for all taxable years shall not exceed \$25,000.

23 “(2) ELIGIBLE REPLACEMENT WORKER.—For
24 purposes of this section, the term ‘eligible replace-
25 ment worker’ means any individual who—

1 “(A) began a period of unemployment
2 after March 27, 2020, and during which time
3 the individual was receiving unemployment com-
4 pensation under State or Federal law, and

5 “(B) performs for the employer substan-
6 tially the same job functions as an H-2A work-
7 er taken into account under paragraph (4).

8 “(3) H-2A WORKER.—The term ‘H-2A worker’
9 means a nonimmigrant described in section
10 101(a)(15)(H)(ii)(a) of the Immigration and Nation-
11 ality Act (8 U.S.C. 1101(a)(15)(H)(ii)(a)).

12 “(4) LIMITATION ON NUMBER OF WORKERS
13 TAKEN INTO ACCOUNT.—The number of eligible re-
14 placement workers taken into account under this
15 section, shall not exceed the average number of H-
16 2A workers employed by the taxpayer during the
17 preceding taxable year.

18 “(5) CONTROLLED GROUPS AND COMMON CON-
19 TROL.—All persons which are treated as a single
20 employer under subsections (a) and (b) of section 52
21 shall be treated as a single taxpayer for purposes of
22 this section.

23 “(6) APPLICATION OF OTHER RULES.—Rules
24 similar to the following rules shall apply for pur-
25 poses of this section:

1 “(A) Section 51(i) (relating to certain indi-
2 viduals ineligible).

3 “(B) Section 51(k) (relating to treatment
4 of successor employers; treatment of employees
5 performing services for other persons).

6 “(c) TERMINATION.—No credit shall be allowed
7 under this section with respect to any wages paid more
8 than 2 years after the date of the enactment of this sec-
9 tion.”.

10 (b) CONFORMING AMENDMENTS.—

11 (1) Section 6211(b)(4)(A) is amended by insert-
12 ing “36C,” after “36B,”.

13 (2) Paragraph (2) of section 1324(b) of title
14 31, United States Code, is amended by inserting
15 “36C,” after “36B,”.

16 (c) CLERICAL AMENDMENT.—The table of sections
17 for subpart C of part IV of subchapter A of chapter 1
18 of such Code is amended by inserting before section 37
19 the following new item:

 “Sec. 36C. Displaced farm worker credit.”.

20 (d) EFFECTIVE DATE.—The amendments made by
21 this section shall apply wages paid in taxable years ending
22 after the date of the enactment of this Act.

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