

104TH CONGRESS
1ST SESSION

H. R. 471

To amend the Internal Revenue Code of 1986 to provide a tax credit to employers who employ members of the Ready Reserve or of the National Guard.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 1995

Mr. BILIRAKIS 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 provide a tax credit to employers who employ members of the Ready Reserve or of the National Guard.

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. READY RESERVE-NATIONAL GUARD EMPLOYEE**

4 **CREDIT ADDED TO GENERAL BUSINESS**

5 **CREDIT.**

6 (a) READY RESERVE-NATIONAL GUARD CREDIT.—

7 Subpart D of part IV of subchapter A of chapter 1 of
8 the Internal Revenue Code of 1986 (relating to business-

1 related credits) is amended by adding at the end the fol-
2 lowing new section:

3 **“SEC. 45C. READY RESERVE-NATIONAL GUARD EMPLOYEE**
4 **CREDIT.**

5 “(a) GENERAL RULE.—For purposes of section 38,
6 the Ready Reserve-National Guard employee credit deter-
7 mined under this section for the taxable year is an amount
8 equal to the sum of—

9 “(1) 50 percent of the actual compensation
10 amount for the taxable year, plus

11 “(2) 10 percent of the unpaid compensation
12 amount for the taxable year.

13 “(b) DEFINITION OF ACTUAL COMPENSATION
14 AMOUNT AND UNPAID COMPENSATION AMOUNT.—For
15 purposes of this section—

16 “(1) ACTUAL COMPENSATION AMOUNT.—The
17 term ‘actual compensation amount’ means the
18 amount of compensation paid or incurred by an em-
19 ployer with respect to a Ready Reserve-National
20 Guard employee on any day during a taxable year
21 when the employee was absent from employment for
22 the purpose of performing qualified active duty.

23 “(2) UNPAID COMPENSATION AMOUNT.—The
24 term ‘unpaid compensation amount’ means the
25 amount of compensation which ordinarily would have

1 been paid or incurred by an employer with respect
2 to a Ready Reserve-National Guard employee on any
3 day during a taxable year but was not paid because
4 the employee was absent from employment for the
5 purpose of performing qualified active duty.

6 “(c) LIMITATIONS.—

7 “(1) MAXIMUM CREDIT.—The maximum credit
8 allowable under subsection (a) shall not exceed
9 \$2,000 in any taxable year with respect to any one
10 Ready Reserve-National Guard employee.

11 “(2) DAYS OTHER THAN WORK DAYS.—No
12 credit shall be allowed with respect to a Ready Re-
13 serve-National Guard employee who performs quali-
14 fied active duty on any day on which the employee
15 was not scheduled to work (for a reason other than
16 to participate in qualified active duty) and ordinarily
17 would not have worked.

18 “(d) DEFINITIONS.—For purposes of this section—

19 “(1) QUALIFIED ACTIVE DUTY.—The term
20 ‘qualified active duty’ means—

21 “(A) active duty, other than the training
22 duty specified in section 10147 of title 10,
23 United States Code (relating to training re-
24 quirements for the Ready Reserve), or section
25 502(a) of title 32, United States Code (relating

1 to required drills and field exercises for the Na-
2 tional Guard), in connection with which an em-
3 ployee is entitled to reemployment rights and
4 other benefits or to a leave of absence from em-
5 ployment under chapter 43 of title 38, United
6 States Code, and

7 “(B) hospitalization incident to such duty.

8 “(2) COMPENSATION.—The term ‘compensa-
9 tion’ means any remuneration for employment,
10 whether in cash or in kind—

11 “(A) which is paid or incurred by a tax-
12 payer and which is deductible from the tax-
13 payer’s gross income under section 162(a)(1),
14 or

15 “(B) which if paid would have been so de-
16 ductible.

17 “(3) READY RESERVE-NATIONAL GUARD EM-
18 PLOYEE.—The term ‘Ready Reserve-National Guard
19 employee’ means an employee who is a member of
20 the Ready Reserve or of the National Guard.

21 “(4) NATIONAL GUARD.—The term ‘National
22 Guard’ has the meaning given such term by section
23 101(c)(1) of title 10, United States Code.

1 “(5) READY RESERVE.—The term ‘Ready Re-
2 serve’ has the meaning given such term by section
3 10142 of title 10, United States Code.”

4 (b) CREDIT TO BE PART OF GENERAL BUSINESS
5 CREDIT.—Subsection (b) of section 38 of such Code (re-
6 lating to general business credit) is amended by striking
7 “plus” at the end of paragraph (10), by striking the period
8 at the end of paragraph (11) and inserting “, plus”, and
9 by adding at the end the following new paragraph:

10 “(12) the Ready Reserve-National Guard em-
11 ployee credit determined under section 45C(a).”

12 **SEC. 2. CONFORMING AMENDMENT.**

13 The table of sections for subpart D of part IV of sub-
14 chapter A of chapter 1 of the Internal Revenue Code of
15 1986 is amended by inserting after the item relating to
16 section 45B the following new item:

 “Sec. 45C. Ready Reserve-National Guard employee credit.”

17 **SEC. 3. EFFECTIVE DATE.**

18 The amendments made by this Act shall apply to tax-
19 able years beginning after December 31, 1994.

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