Public Law 94-45
94th Congress

An Act

June 30, 1975
[H.R. 6900]

To provide an additional thirteen weeks of benefits under the emergency unemployment compensation program and the special unemployment assistance program, to extend the special unemployment assistance program for one year, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Emergency Compensation and Special Unemployment Assistance Extension Act of 1975.
26 USC 3304 note.

SHORT TITLE

SECTION 1. This Act may be cited as the "Emergency Compensation and Special Unemployment Assistance Extension Act of 1975".

TITLE I—UNEMPLOYMENT COMPENSATION PROGRAMS

PART A—EMERGENCY UNEMPLOYMENT COMPENSATION

EMERGENCY PERIODS; BENEFIT WEEKS EXTENDED WHEN STATE UNEMPLOYMENT RATE IS HIGH

26 USC 3304 note.

SEC. 101. (a) (1) Section 102(c) (3) (B) (i) of the Emergency Unemployment Compensation Act of 1974 is amended—

(A) by inserting "(I)" immediately after "if", and

(B) by inserting immediately before the period at the end thereof the following: ", and (II) the rate of insured unemployment in such State for the period consisting of such week and the immediately preceding twelve weeks equaled or exceeded 5 per centum".

(2) Section 102(c) (3) (B) (ii) of such Act is amended to read as follows:

"(ii) For purposes of subparagraph (A), there is a State 'emergency off' indicator for a week if the rate of insured unemployment in such State for the period consisting of such week and the immediately preceding twelve weeks is less than 5 per centum.".

(b) Section 102(e) of such Act is amended to read as follows:

"(e) (1) Any agreement under this Act with a State shall provide that the State will establish, for each eligible individual who files an application for emergency compensation, an emergency compensation account.

"(2) Subject to the provisions of paragraph (3), the amount established in such account for any individual shall be equal to the lesser of—

"(A) 100 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

"(B) twenty-six times his average weekly benefit amount (as determined for purposes of section 202(b) (1) (C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

26 USC 3304 note.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

"(3) Notwithstanding paragraph (2), the total amount of emergency compensation payable to any individual for weeks of unemployment which begin in a 5-per centum period (as defined in section 105(5)) shall not exceed the lesser of— *Infra.*

"(A) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation, or

"(B) thirteen times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year. 26 USC 3304 note.

"(4) The amounts determined under paragraphs (2) and (3) with respect to any individual shall each be reduced by the amount of any assistance paid to such individual under title II of the Emergency Jobs and Unemployment Assistance Act of 1974 for any weeks of unemployment in the 65-week period preceding the first week of unemployment with respect to which compensation is payable to such individual under this Act.". 26 USC 3304 note.

(c) Section 102(b)(2) of such Act is amended to read as follows: 26 USC 3304 note.

"(2) for any week of unemployment which—

"(A) begins in—

"(i) an emergency benefit period (as defined in subsection (c)(3)), and

"(ii) the individual's period of eligibility (as defined in section 105(2)); or

"(B) begins in an individual's additional eligibility period (as defined in section 105(4)).". *Infra.*

(d) Section 105 of such Act is amended— 26 USC 3304 note.

(1) in paragraph (2), by striking out "and" at the end thereof,

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof a semicolon, and

(3) by inserting after paragraph (3) the following new paragraphs:

"(4) the term 'additional eligibility period' means the thirteen-week period following the week in which an emergency benefit period ends in a State, as determined under section 102(c)(3); but no individual shall have an additional eligibility period unless there was payable to him in such State, for the week in which such emergency benefit period ended, either emergency compensation under this Act or extended compensation under the Federal-State Extended Unemployment Compensation Act of 1970; "Additional eligibility period."

"(5) the term '5-per centum period' means a period in a State which begins with the third week after the first week in which the rate of insured unemployment in the State for the period consisting of such first week and the immediately preceding twelve weeks is less than 6 per centum and which ends with the second week after the first week in which the rate of insured unemployment in the State for the period consisting of such first week and the immediately preceding twelve weeks equals or exceeds 6 per centum; except that no 5-per centum period shall begin in any State prior to the fourteenth week after the last week in a preceding 5-per centum period in such State; "5-per centum period."

"(6) the term 'rate of insured unemployment' means the percentage arrived at by dividing the average weekly number of individuals filing claims for weeks of unemployment with respect "Rate of insured unemployment."

to the specified period (as determined on the basis of the reports made by the State agency to the Secretary) by the average monthly covered employment for the specified period;

"(7) the rate of insured unemployment for any thirteen-week period shall be determined by reference to the average monthly covered employment under the State law for the first four of the most recent six calendar quarters ending before the close of such period; and

"(8) determinations with respect to the rate of insured unemployment in a State shall be made by the State agency in accordance with regulations prescribed by the Secretary.".

26 USC 3304 note.

(e) Section 102(c)(3)(A)(ii) of such Act is amended by inserting immediately before the period at the end thereof the following: ", and no emergency benefit period which began prior to January 1, 1976, shall end prior to such date".

Ante, p. 65.

(f) Section 102(e)(3) of such Act is amended by striking out "July 1, 1975" and inserting in lieu thereof "January 1, 1976".

Effective date. 26 USC 3304 note.

(g) The amendments made by subsections (a) through (e) of this section shall be effective with respect to weeks of compensation which begin on or after January 1, 1976.

EXTENSION OF PROGRAM

26 USC 3304 note.

SEC. 102. (a) Section 102(f)(2) of the Emergency Unemployment Compensation Act of 1974 is amended by striking out "after—" and all that follows and inserting in lieu thereof "after March 31, 1977.".

26 USC 3304 note.

(b) The last sentence of section 203(e)(2) of the Federal-State Extended Unemployment Compensation Act of 1970 is amended by striking out "December 31, 1976" and inserting in lieu thereof "March 31, 1977".

CONDITIONS OF ELIGIBILITY FOR BENEFITS

26 USC 3304 note.

SEC. 103. (a) Section 102 of the Emergency Unemployment Compensation Act of 1974 is amended by adding at the end thereof the following new subsection:

"(g) Notwithstanding the preceding provisions of this section, emergency compensation shall not be payable for any week to an individual who is not a participant in a training program which is approved by the Secretary if—

"(1) the State determines that there is a need for upgrading or broadening such individual's occupational skills and a program which is approved by the Secretary for such upgrading or broadening is available within a reasonable distance and without charge to the individual for tuition or fees, and

"(2) such individual is not an applicant to participate in such a program.".

STUDY AND REPORT BY SECRETARY OF LABOR

Report to Congress. 26 USC 3304 note. 26 USC 3304 note. 26 USC 3304 note.

SEC. 104. The Secretary of Labor shall conduct a study and review of the program established by the Emergency Unemployment Compensation Act of 1974 and the program established under title II of the Emergency Jobs and Unemployment Assistance Act of 1974 and shall submit to the Congress not later than January 1, 1977, a report on such study and review. Such study and review shall include—

(1) the employment, economic, and demographic characteristics of individuals receiving benefits under either such program,

(2) the needs of the long-term unemployed for job counseling, testing, referral and placement services, skill and apprenticeship training, career-related education programs, and public service employment opportunities, and

(3) an examination of all other benefits to which individuals receiving benefits under either such program are eligible together with an investigation of important factors affecting unemployment, a comparison of the aggregate value of such other benefits plus benefits received under either such program with the amount of compensation received by such individuals in their most recent position of employment.

MODIFICATION OF AGREEMENTS

SEC. 105. The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 102 of the Emergency Unemployment Compensation Act of 1974 a modification of such agreement designed to provide for the payment of the emergency compensation benefits allowable under such Act by reason of the amendments made by this part. Notwithstanding any provision of the Emergency Unemployment Compensation Act of 1974, if any State fails or refuses, within the three-week period beginning on the date of the enactment of this Act, to enter into such a modification of such agreement, the Secretary of Labor shall terminate such agreement.

26 USC 3304 note.

26 USC 3304 note.

COORDINATION WITH SPECIAL UNEMPLOYMENT ASSISTANCE

SEC. 106. Section 102(e) of the Emergency Unemployment Compensation Act of 1974 (as in effect on the day before the date of the enactment of this Act) is amended, effective July 1, 1975, by adding at the end thereof the following new paragraph:

Ante, p. 65.

"(4) The amount determined under paragraphs (2) and (3) with respect to any individual shall each be reduced by the amount of any assistance paid to such individual under title II of the Emergency Jobs and Unemployment Assistance Act of 1974, for any weeks of unemployment in the 65-week period preceding the first week of unemployment with respect to which compensation is payable to such individual under this Act.".

26 USC 3304 note.

PART B—MISCELLANEOUS

REPAYMENT OF STATE LOANS

SEC. 110. (a) Section 3302(c)(3) of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new sentence: "The provisions of the preceding sentence shall not be applicable with respect to the taxable year beginning January 1, 1975, or any succeeding taxable year which begins before January 1, 1978; and, for purposes of such sentence, January 1, 1978, shall be deemed to be the first January 1 occurring after January 1, 1974, and consecutive taxable years in the period commencing January 1, 1978, shall be determined as if the taxable year which begins on January 1, 1978, were the taxable year immediately succeeding the taxable year which began on January 1, 1974.".

26 USC 3302.

(b)(1) The amendment made by subsection (a) shall not be applicable in the case of any State unless the Secretary of Labor finds that such State has studied and taken appropriate action with respect to the financing of its unemployment programs so as substantially to accom-

26 USC 3302 note.

plish the purpose of restoring the fiscal soundness of the State's unemployment account in the Unemployment Trust Fund and permitting the repayment within a reasonable time of any advances made to such account under title XII of the Social Security Act. For purposes of the preceding sentence, appropriate action with respect to the financing of a State's unemployment programs means an increase in the State's unemployment tax rate, an increase in the State's unemployment tax base, a change in the experience rating formulas, or a combination thereof.

42 USC 1321.

Regulations, publication in Federal Register.

(2) The Secretary of Labor shall promptly prescribe and publish in the Federal Register regulations setting forth the criteria according to which he will determine the requirements of the preceding paragraph.

Publication in Federal Register.

(3) Immediately after he makes a determination with respect to any State under paragraph (1), the Secretary of Labor shall publish such determination, together with his reasons therefor, in the Federal Register.

TITLE II—AMENDMENTS OF EMERGENCY JOBS AND UNEMPLOYMENT ASSISTANCE ACT OF 1974

EXTENSION OF SPECIAL UNEMPLOYMENT ASSISTANCE

26 USC 3304 note.

SEC. 201. (a) Section 206 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by striking out so much of the first sentence as precedes "*Provided*, That" and inserting in lieu thereof the following: "Except as provided by subsection (b), the maximum amount of assistance under this title which an eligible individual shall be entitled to receive during any special unemployment assistance benefit year shall be 150 per centum of the maximum amount that would have been payable to such individual during such benefit year as computed under the provisions of the applicable State unemployment compensation law, but not exceeding thirty-nine times the weekly benefit payable to the individual for a week of total unemployment as determined under subsection (a) of section 205:".

26 USC 3304 note.

(b) Section 208 of such Act is amended—

(1) by striking out "March 31, 1976" and inserting in lieu thereof "March 31, 1977"; and

(2) by striking out "December 31, 1975" and inserting in lieu thereof "December 31, 1976".

DENIAL OF SPECIAL UNEMPLOYMENT ASSISTANCE IN CASE OF CERTAIN EMPLOYEES OF EDUCATIONAL INSTITUTIONS

26 USC 3304 note.

SEC. 202. Section 203 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by inserting "(a)" after "SEC. 203." and by adding at the end thereof the following new subsection:

"(b) An individual who performs services in an instructional, research, or principal administrative capacity for an educational institution or agency shall not be eligible to receive a payment of assistance or a waiting period credit with respect to any week commencing during the period between two successive academic years (or, when the contract provides instead for a similar period between two regular but not successive terms, during such similar period) if—

"(1) such individual performed services in any such capacity for any educational institution or agency in the first of such academic years or terms; and

"(2) such individual has a contract to perform services in any such capacity for any educational institution or agency for the later of such academic years or terms.".

TECHNICAL AND CLARIFYING AMENDMENTS

SEC. 203. (a) Section 210 of the Emergency Jobs and Unemployment Assistance Act of 1974 is amended by adding at the end thereof the following new section:

26 USC 3304 note.

"(c) Employment and wages which are not covered by the State law may be treated, under sections 203(a)(1), 205(a), and 206(a), as though they were covered only if the employment—

Ante, p. 240.

"(1) is performed by an employee (as defined in section 3121 (d) of the Internal Revenue Code of 1954), and

26 USC 3304 note.

Post, p. 242.

"(2) constitutes employment as determined under section 3306 (c) of such Code without regard to paragraphs (1) through (9), (10)(B)(ii), (14), (15), and (17) of such section.

26 USC 3121.

For purposes of paragraph (2), section 3306(c) of such Code shall be applied as if the term 'United States' includes the Virgin Islands.".

(b)(1) Section 205 of such Act is amended—

(A) by striking out the last sentence of subsection (b); and

(B) by adding at the end thereof the following new subsections:

Fraud.

"(c) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of assistance under this title to which he was not entitled, such individual—

"(1) shall be ineligible for further assistance under this title in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

"(2) shall be subject to prosecution under section 1001 of title 18, United States Code.

Repayment of unentitled assistance.

"(d)(1) In the case of individuals who have received amounts of assistance under this title to which they were not entitled, the State is authorized to require such individuals to repay the amounts of such assistance to the State agency, except that the State agency may waive such repayment if it determines that—

"(A) the payment of such assistance was without fault on the part of any such individual, and

"(B) such repayment would be contrary to equity and good conscience.

"(2) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any assistance payable under this title or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date such individuals received the payment of the assistance to which they were not entitled, except that no single deduction may exceed 50 per centum of the weekly benefit amount from which such deduction is made.

Notice and hearing.

"(3) No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

Review.

"(e) Any determination by a State agency under subsection (c) or (d) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.".

(2) Section 210(a) of such Act is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof a semicolon, and by adding at the end thereof the following new paragraphs:

"State agency."

"(5) 'State agency' means the agency of the State which administers the program established by this title; and

"Special unemployment assistance benefit year."

"(6) 'special unemployment assistance benefit year' means the fifty-two week period beginning with the first week for which an individual files a valid claim for special unemployment assistance.".

(c) Section 206 of such Act is amended by inserting "(a)" after "SEC. 206." and by adding at the end thereof the following new subsection:

"(b) In the case of any individual who files a claim for assistance under this title during a benefit year which such individual has established under any State unemployment compensation law, the maximum amount of assistance under this title which such individual shall be entitled to receive during the special unemployment assistance benefit year established pursuant to such claim (as determined under subsection (a) without regard to this subsection) shall be reduced by the amount of any unemployment compensation received during the benefit year established under the State unemployment compensation law.".

Ante, p. 240.

(d) Paragraph (4) of section 203(a) of such Act (as amended by section 202 of this Act) is amended by striking out "subsection (b)" and inserting in lieu thereof "paragraph (2)".

EFFECTIVE DATES

26 USC 3304 note.

SEC. 204. (a) The Secretary of Labor shall, at the earliest practicable date after the date of the enactment of this Act, propose to each State with which he has in effect an agreement under section 202 of the Emergency Jobs and Unemployment Assistance Act of 1974 a modification of such agreement designed to provide for the payment of the special unemployment assistance allowable under such Act by reason of the amendments made by section 201. Notwithstanding any other provision of law, if any State fails or refuses, within the three-week period beginning on the date of the enactment of this Act, to enter into such a modification of any such agreement, the Secretary of Labor shall terminate such agreement.

26 USC 3304 note.

(b) Assistance shall be payable to individuals under agreements entered into by States under title II of the Emergency Jobs and Unemployment Assistance Act of 1974, by reason of the amendments made by section 201 of this Act, for weeks of unemployment beginning on or after July 1, 1975.

26 USC 3304 note.

(c) The amendments made by section 202 and subsections (c) and (d) of section 203 shall apply to weeks of unemployment beginning after the date of the enactment of this Act.

(d) The amendment made by section 203(a) shall take effect on December 31, 1974.

(e) The amendments made by subsections (b) and (e) of section 203 shall take effect on the date of the enactment of this Act.

TITLE III—LOANS TO THE UNEMPLOYMENT FUND OF THE VIRGIN ISLANDS

SEC. 301. (a) The Secretary of Labor (hereinafter in this section referred to as the "Secretary") may make loans to the Virgin Islands in such amounts as he determines to be necessary for the payment in any month of compensation under the unemployment compensation law of the Virgin Islands. A loan may be made under this subsection for the payment of compensation in any month only if— 26 USC 3304 note.

(1) the Governor of the Virgin Islands submits an application therefor no earlier than the first day of the preceding month; and

(2) such application contains an estimate of the amount of the loan which will be required by the Virgin Islands for the payment of compensation in such month.

(b) For purposes of this section—

(1) an application for loan under subsection (a) shall be made on such forms and shall contain such information and data (fiscal and otherwise) concerning the operation and administration of the unemployment compensation law of the Virgin Islands as the Secretary deems necessary or relevant to the performance of his duties under this section;

(2) the amount required by the Virgin Islands for the payment of compensation in any month shall be determined with due allowance for contingencies and taking into account all other amounts that will be available in the unemployment fund of the Virgin Islands for the payment of compensation in such month; and

(3) the term "compensation" means cash benefits payable to individuals with respect to their unemployment, exclusive of expenses of administration. "Compensation."

(c) Any loan made under subsection (a) shall be repayable (without interest) not later than January 1, 1978. If after January 1, 1978, any portion of any such loan remains unpaid, the Virgin Islands shall pay interest thereon, until the loan is paid in full, at a rate equal to the rate of interest in effect under section 6621 of the Internal Revenue Code of 1954. If at some future date the Federal Unemployment Tax Act shall be made applicable to the Virgin Islands, then, any amount of principal or interest due on any such loan remaining unpaid on such date shall be treated, for purposes of section 3302(c)(3) of the Internal Revenue Code of 1954, as an advance made to the Virgin Islands under title XII of the Social Security Act. 26 USC 6621. 26 USC 3311. 26 USC 3302. 42 USC 1321.

(d) No loan may be made under subsection (a) for any month beginning after June 30, 1976. The aggregate of the loans which may be made under subsection (a) shall not exceed $5,000,000. Loan limitations.

(e) There are authorized to be appropriated from the general fund of the Treasury such sums as may be necessary to carry out this section. Appropriation authorization.

SEC. 302. Section 3302(c)(4)(A) of the Internal Revenue Code of 1954 is amended by striking out "July 1, 1975" and inserting in lieu thereof "July 15, 1975".

TITLE IV—MISCELLANEOUS

TAX CREDIT FOR PURCHASE OF NEW PRINCIPAL RESIDENCE

SEC. 401. (a) Section 44(e) of the Internal Revenue Code of 1954 (relating to property to which the credit for purchase of new principal residence applies) is amended by striking out paragraph (4) and inserting in lieu thereof the following: *Ante*, p. 32. 26 USC 44.

"(4) CERTIFICATION MUST BE ATTACHED TO RETURN.—This section does not apply to any residence (other than a residence constructed by the taxpayer) unless there is attached to the return of tax on which the credit is claimed a written certification (which may be in any form) signed by the seller of such residence that—

"(A) construction of the residence began before March 26, 1975, and

"(B) the purchase price of the residence is the lowest price at which the residence was offered for sale after February 28, 1975.

For purposes of this paragraph, a written certification filed by a taxpayer is sufficient whether or not it is on a form prescribed by the Secretary or his delegate so long as such certification is signed by the seller and contains the information required under this paragraph.".

Ante, p. 32.
26 USC 44 note.

(b) Section 208(b) of the Tax Reduction Act of 1975 (relating to suits to recover amounts of price increases) is amended by striking out "ever offered for sale," each time it appears therein and inserting in lieu thereof "offered for sale after February 28, 1975,".

Approved June 30, 1975.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 94-220 (Comm. on Ways and Means) and
No. 94-328 (Comm. of Conference).
SENATE REPORT No. 94-200 (Comm. on Labor and Public Welfare).
CONGRESSIONAL RECORD, Vol. 121 (1975):
May 21, considered and passed House.
June 20, considered and passed Senate, amended.
June 26, House and Senate agreed to conference report.
WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 11, No. 27:
June 30, Presidential statement.