

Public Law 96-178
96th Congress

An Act

To extend for one year the provisions of law relating to the business expenses of State legislators.

Jan. 2, 1980

[H.R. 3091]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsections (a) and (d) of section 604 of the Tax Reform Act of 1976 (Public Law 94-455) are each amended by striking out "January 1, 1978" and inserting in lieu thereof "January 1, 1979".

State legislators' business expenses, provisions of law, extension. 26 USC 162 note.

CHILD SUPPORT ENFORCEMENT

SEC. 2. (a) Section 455(a) of the Social Security Act is amended—

42 USC 655.

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

(2) by striking out all that follows paragraph (2).

(b) This section shall become effective on the date of the enactment of this Act, and shall apply with respect to services furnished during the period beginning October 1, 1978, and ending March 31, 1980.

Effective date. 42 USC 655 note.

WIN CREDIT

SEC. 3. (a)(1) Section 50B of the Internal Revenue Code of 1954 is amended by redesignating subsection (i) as subsection (j) and by adding after subsection (h) the following new subsection:

26 USC 50B.

"(i) SPECIAL RULES WITH RESPECT TO EMPLOYMENT OF DAY CARE WORKERS.—

"(1) ELIGIBLE EMPLOYEE.—An individual who would be an 'eligible employee' (as that term is defined for purposes of this section) except for the fact that such individual's employment is not on a substantially full-time basis, shall be deemed to be an eligible employee as so defined, if such employee's employment consists of services performed in connection with a child day care program of the taxpayer, on either a full-time or part-time basis.

"(2) ALTERNATIVE LIMITATION WITH RESPECT TO CHILD DAY CARE SERVICES ELIGIBLE EMPLOYEES.—The amount of the credit allowed a taxpayer under the preceding provisions of this section with respect to work incentive program expenses paid or incurred by him with respect to an eligible employee whose services are performed in connection with a child day care services program conducted by the taxpayer shall, at the election of the taxpayer, be determined by including (in computing the amount of such expenses so paid or incurred by him) any amount with respect to such employee for which he was reimbursed from funds made available pursuant to section 3(c) of Public Law 94-401 or section 2007 of title XX of the Social Security Act, except that, if the total amount of such credit, as so computed, plus such amount reimbursed to him under such sections, exceeds the lesser of \$6,000 or 100 percent of the total expenses paid or incurred by him with respect to such employee, the amount of such credit shall be

42 USC 1397a note. 42 USC 1397f.

reduced (but not below zero) so as to provide that such total does not exceed the lesser of \$6,000 or 100 percent of the total expenses paid or incurred by him with respect to such employee.”

Effective date.
26 USC 50B
note.

(2) The amendment made by paragraph (1) shall become effective on the date of the enactment of this Act, and shall apply with respect to taxable years beginning after December 31, 1978, and before January 1, 1980.

26 USC 50B.
91 Stat. 1353;
92 Stat. 2763.

(3) Section 50B(a)(2)(B) of the Internal Revenue Code of 1954 as in effect prior to amendment by the Revenue Act of 1978 is amended, effective October 1, 1978, by striking out “October 1, 1978” and inserting in lieu thereof “January 1, 1979”.

42 USC 1397a
note.

(b) Paragraphs (1) and (2)(A) of section 3(c) of Public Law 94-401 are each amended by striking out “(other than the fiscal year ending September 30, 1979)”.

(c) Paragraphs (1) and (3)(B) of section 3(c) of Public Law 94-401 are each amended by striking out “Federal welfare recipient employment incentive expenses” each time it appears and inserting in lieu thereof in each instance “work incentive program expenses”.

(d) Section 3(c)(3)(B) of Public Law 94-401 is amended—

(1) by striking out “Federal welfare recipient employment expenses” and inserting in lieu thereof “work incentive program expenses”; and

(2) by striking out “section 50B(a)(2)” and inserting in lieu thereof “section 50B(a)(1)”.

(e) Section 3(c)(2)(B) of Public Law 94-401 is amended—

(1) by striking out “\$5,000” and inserting in lieu thereof “\$6,000”; and

(2) by striking out “\$4,000” and inserting in lieu thereof “\$5,000”.

Effective date.
42 USC 1397a
note.

(f)(1) The amendments made by subsection (b) shall become effective on the date of the enactment of this Act, and shall apply with respect to grants made to qualified providers of child day care services on or after October 1, 1978.

(2) The amendments made by subsections (c), (d), and (e) shall become effective on the date of the enactment of this Act, and shall apply with respect to expenses paid or incurred after December 31, 1978.

CHILD DAY CARE SERVICES

42 USC 1397a.

SEC. 4. (a) Section 2002(a)(1) of the Social Security Act is amended by inserting “100 per centum of the expenditures during that quarter (which are not in excess of 2 per centum of the limitation applicable to that State under paragraph (2)(A) for the fiscal year in which such quarter occurs) for grants to qualified providers under section 2007,” after “an amount equal to”.

42 USC 1397f.

(b) Title XX of such Act is amended by redesignating section 2007 as section 2008 and inserting after section 2006 the following new section:

“CHILD DAY CARE SERVICES

42 USC 1397e-1.

“SEC. 2007. (a) Subject to subsection (b), sums granted by a State to a qualified provider of child day care services (as defined in subsection (c)) to assist such provider in meeting its work incentive program expenses (as defined in subsection (c)) with respect to individuals employed in jobs related to the provision of child day care services in one or more child day care facilities of such provider, shall be deemed for purposes of section 2002 to constitute expenditures made by the

State in accordance with the provisions of this title for the provision of child day care services.

“(b) The provisions of subsection (a) shall not be applicable with respect to any grant made to a particular qualified provider of child day care services to the extent that (as determined by the Secretary) such grant is or will be used to pay wages to any employee at an annual rate in excess of \$6,000, in the case of a public or nonprofit private provider, or at an annual rate in excess of \$5,000, or to pay more than 80 per centum of the wages of any employee, in the case of any other provider.

“(c) For purposes of this subsection—

“(1) the term ‘qualified provider of child day care services’, when used in reference to a recipient of a grant by a State, includes a provider of such services only if, of the total number of children receiving such services from such provider in the facility with respect to which the grant is made, at least 20 per centum thereof have some or all of the costs for the child day care services so furnished to them by such provider paid for under the State’s services program conducted pursuant to this title; and

“(2) the term ‘work incentive program expenses’ means expenses of a qualified provider of child day care services which constitute work incentive program expenses as defined in section 50B(a)(1) of the Internal Revenue Code of 1954, or which would constitute work incentive program expenses as so defined if the provider were a taxpayer entitled to a credit (with respect to the wages involved) under section 40 of such Code.”

(c) Sections 2002(a)(4)(C), 2002(a)(4)(D), and 2002(a)(5)(A) of such Act are each amended by striking out “2007(1)” and inserting in lieu thereof “200E(1)”.

(d) The amendments made by this section shall become effective on the date of the enactment of this Act, and shall apply with respect to grants made to qualified providers of child day care services during the period beginning October 1, 1979, and ending March 31, 1980.

Definitions.

26 USC 50B.

26 USC 40.

42 USC 1397a.

Effective date.
42 USC 1397e-1
note.

EXTENSION OF PROVISIONS RELATING TO ALCOHOLICS AND DRUG ADDICTS

SEC. 5. (a) Section 4(c) of Public Law 94-120 is amended by striking out “only for the period” and all that follows and inserting in lieu thereof “from and after October 1, 1975.”

(b) The amendment made by subsection (a) shall become effective on the date of the enactment of this Act, and shall apply with respect to services provided during the period beginning October 1, 1978, and ending March 31, 1980.

42 USC 1397a
note.

Effective date.
42 USC 1397a
note.

AMENDMENTS RELATED TO SECTION 322 OF THE REVENUE ACT OF 1978

SEC. 6. (a) Paragraph (1) of section 322(e) of the Revenue Act of 1978 (relating to effective date) is amended by adding at the end thereof the following new sentence: “For purposes of applying section 50A(a)(2) of the Internal Revenue Code of 1954 with respect to a taxable year beginning before January 1, 1979, the rules of sections 50A(a)(4), 50A(a)(5), and 50B(e)(3) of such Code (as in effect on the day before the date of the enactment of this Act shall apply.”

(b) Subparagraph (B) of section 322(e)(2) of the Revenue Act of 1978 (relating to eligible employees hired after September 26, 1978) is amended—

92 Stat. 2836.
26 USC 50A note.

26 USC 50A.

26 USC 50B.

(1) by striking out "September 27, 1978," and inserting in lieu thereof "September 26, 1978, for purposes of applying the amendments made by this section,"; and

(2) by striking out "January 1, 1979." and inserting in lieu thereof "January 1, 1979, and any wages paid or incurred after December 31, 1978, with respect to such individual shall be considered to be attributable to services rendered after that date."

26 USC 50A.

(c)(1) Subparagraph (C) of section 50A(a)(4) of the Internal Revenue Code of 1954 (relating to limitation with respect to nonbusiness eligible employees) is amended by striking out "'\$6,000' and" and inserting in lieu thereof "'\$6,000' for".

26 USC 50B.

(2) Subparagraph (B) of section 50B(g)(2) of such Code is amended by striking out "giving to such credit" and inserting in lieu thereof "giving rise to such credit".

(3) Clause (i) of section 50B(h)(1)(A) of such Code is amended by striking out "9-day" and inserting in lieu thereof "90-day".

92 Stat. 2836.

26 USC 280C.

(4) The second subsection designated as subsection (d) of section 322 of the Revenue Act of 1978 is amended by striking out "our" in paragraph (1)(A) thereof and inserting in lieu thereof "out".

Effective date.

26 USC 50A note.

(d) Any amendment made by this section to the Revenue Act of 1978 shall take effect as if it had been included in the provision of the Revenue Act of 1978 to which such amendment relates.

Approved January 2, 1980.

LEGISLATIVE HISTORY:

HOUSE REPORTS: No. 96-63 (Comm. on Ways and Means) and No. 96-718 (Comm. of Conference).

CONGRESSIONAL RECORD, Vol. 125 (1979):

Mar. 27, considered and passed House.

Mar. 28, considered and passed Senate, amended.

Dec. 19, House agreed to conference report.

Dec. 20, Senate agreed to conference report.