

111TH CONGRESS
1ST SESSION

H. R. 3620

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for employing members of the Ready Reserve and National Guard and veterans recently separated from the Armed Forces.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2009

Mr. ALEXANDER 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 employers a credit against income tax for employing members of the Ready Reserve and National Guard and veterans recently separated from the Armed Forces.

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 “Hiring Heroes Tax
5 Incentive Act of 2009”.

1 **SEC. 2. CREDIT FOR EMPLOYERS WHO EMPLOY MEMBERS**
2 **OF THE READY RESERVE AND NATIONAL**
3 **GUARD AND VETERANS RECENTLY SEPA-**
4 **RATED FROM THE ARMED FORCES.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-
6 chapter A of chapter 1 of the Internal Revenue Code of
7 1986 (relating to business-related credits) is amended by
8 inserting after section 45Q the following new section:

9 **“SEC. 45R. CREDIT FOR EMPLOYERS WHO EMPLOY MEM-**
10 **BERS OF THE READY RESERVE AND NA-**
11 **TIONAL GUARD AND VETERANS RECENTLY**
12 **SEPARATED FROM THE ARMED FORCES.**

13 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
14 tion 38, the amount of the military employment credit de-
15 termined under this section with respect to any employer
16 for any taxable year is 15 percent of the qualified wages
17 paid or incurred during the calendar year which ends with
18 or within such taxable year.

19 “(b) QUALIFIED WAGES.—

20 “(1) IN GENERAL.—For purposes of this sec-
21 tion, the term ‘qualified wages’ means any wages
22 paid or incurred by an employer for services per-
23 formed by a qualified employee.

24 “(2) ONLY FIRST \$10,000 OF WAGES PER YEAR
25 TAKEN INTO ACCOUNT.—With respect to each em-
26 ployee, the amount of qualified wages which may be

1 taken into account for a calendar year shall not ex-
2 ceed \$10,000.

3 “(3) COORDINATION WITH OTHER CREDITS.—
4 The \$10,000 amount in paragraph (2) shall be re-
5 duced for any calendar year by the amount of wages
6 paid or incurred during such year which are taken
7 into account in determining the credit under section
8 45A(a), 45P(a), 51(a), 1396(a), 1400P(b), or
9 1400R.

10 “(c) QUALIFIED EMPLOYEE.—For purposes of this
11 section—

12 “(1) QUALIFIED EMPLOYEE.—The term ‘quali-
13 fied employee’ means, with respect to any period,
14 any employee of an employer if during such period—

15 “(A) substantially all of the services per-
16 formed by such employee for such employer are
17 performed in a trade or business of the em-
18 ployer, and

19 “(B) such employee is—

20 “(i) a Ready Reserve-National Guard
21 employee, or

22 “(ii) a recently-separated veteran.

23 “(2) CERTAIN INDIVIDUALS NOT ELIGIBLE.—
24 The term ‘qualified employee’ shall not include any
25 individual described in a subparagraph of section

1 1396(d)(2) (relating to certain individuals not eligi-
2 ble to be qualified zone employees).

3 “(3) READY RESERVE-NATIONAL GUARD EM-
4 PLOYEE.—The term ‘Ready Reserve-National Guard
5 employee’ means an employee who is a member of
6 the Ready Reserve (as defined in section 10142 of
7 title 10, United States Code) or the National Guard
8 (as defined in section 101(c)(1) of such title 10).

9 “(4) RECENTLY-SEPARATED VETERAN.—The
10 term ‘recently-separated veteran’ means an indi-
11 vidual who served on active duty (other than active
12 duty for training) in the Armed Forces of the
13 United States and was discharged or released there-
14 from under honorable conditions within the 5-year
15 period ending on the date of the performance of
16 services.

17 “(d) OTHER DEFINITIONS AND SPECIAL RULES.—

18 “(1) WAGES.—For purposes of this section, the
19 term ‘wages’ has the meaning given to such term by
20 section 1397(a).

21 “(2) CONTROLLED GROUPS, ETC.—Rules simi-
22 lar to the rules of subsections (b) and (c) of section
23 1397 shall apply for purposes of this section.

