

114TH CONGRESS  
2D SESSION

# H. R. 4508

To provide for increases in the Federal minimum wage and to provide a credit against the employment taxes of certain employers who pay more than the Federal minimum wage.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2016

Mr. NORCROSS (for himself, Mr. PALLONE, and Mrs. WATSON COLEMAN) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To provide for increases in the Federal minimum wage and to provide a credit against the employment taxes of certain employers who pay more than the Federal minimum wage.

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 “Fair Wage Act”.

5 **SEC. 2. MINIMUM WAGE INCREASES.**

6 (a) **MINIMUM WAGE.**—

1           (1) IN GENERAL.—Section 6(a)(1) of the Fair  
2 Labor Standards Act of 1938 (29 U.S.C. 206(a)(1))  
3 is amended to read as follows:

4           “(1) except as otherwise provided in this sec-  
5 tion, not less than—

6           “(A) \$8.00 an hour, beginning 30 days  
7 after the date of enactment of the Fair Wage  
8 Act or January 1, 2017, whichever date is ear-  
9 lier;

10           “(B) \$9.00 an hour, beginning 1 year after  
11 the date the wage specified in subparagraph (A)  
12 takes effect;

13           “(C) \$10.00 an hour, beginning 2 years  
14 after such date;

15           “(D) \$11.00 an hour, beginning 3 years  
16 after such date;

17           “(E) \$12.00 an hour, beginning 4 years  
18 after such date;

19           “(F) \$13.00 an hour, beginning 5 years  
20 after such date;

21           “(G) \$14.00 an hour, beginning 6 years  
22 after such date;

23           “(H) \$15.00 an hour, beginning 7 years  
24 after such date; and

1           “(I) beginning 8 years after such date, and  
2           annually thereafter, the amount determined by  
3           the Secretary pursuant to subsection (h).”.

4           (2) DETERMINATION BASED IN INCREASE IN  
5           CONSUMER PRICE INDEX.—Section 6 of the Fair  
6           Labor Standards Act of 1938 (29 U.S.C. 206) is  
7           amended by adding at the end the following:

8           “(h)(1) Each year, by not later than the date that  
9           is 90 days before a new minimum wage determined under  
10          subsection (a)(1)(I) is to take effect, the Secretary shall  
11          determine the minimum wage to be in effect pursuant to  
12          this subsection for the subsequent 1-year period. The wage  
13          determined pursuant to this subsection for a year shall  
14          be—

15                 “(A) not less than the amount in effect under  
16                 subsection (a)(1) on the date of such determination;

17                 “(B) increased from such amount by the annual  
18                 percentage increase in the Consumer Price Index for  
19                 Urban Wage Earners and Clerical Workers (United  
20                 States city average, all items, not seasonally ad-  
21                 justed), or its successor publication, as determined  
22                 by the Bureau of Labor Statistics; and

23                 “(C) rounded to the nearest multiple of \$0.05.

24           “(2) In calculating the annual percentage increase in  
25          the Consumer Price Index for purposes of paragraph

1 (1)(B), the Secretary shall compare such Consumer Price  
2 Index for the most recent month, quarter, or year avail-  
3 able (as selected by the Secretary prior to the first year  
4 for which a minimum wage is in effect pursuant to this  
5 subsection) with the Consumer Price Index for the same  
6 month in the preceding year, the same quarter in the pre-  
7 ceding year, or the preceding year, respectively.”.

8 (b) PUBLICATION OF NOTICE.—Section 6 of the Fair  
9 Labor Standards Act of 1938 (as amended by subsection  
10 (a)) (29 U.S.C. 206) is further amended by adding at the  
11 end the following:

12 “(i) Not later than 60 days prior to the effective date  
13 of any increase in the minimum wage determined under  
14 subsection (h), the Secretary shall publish in the Federal  
15 Register and on the website of the Department of Labor  
16 a notice announcing the adjusted required wage.”.

17 **SEC. 3. CREDIT AGAINST EMPLOYMENT TAXES OF CERTAIN**  
18 **EMPLOYERS WHO PAY MORE THAN THE FED-**  
19 **ERAL MINIMUM WAGE.**

20 (a) IN GENERAL.—Subchapter B of chapter 21 of the  
21 Internal Revenue Code of 1986 is amended by adding at  
22 the end the following new section:

1 **“SEC. 3113. CREDIT FOR CERTAIN EMPLOYERS WHO PAY**  
2 **MORE THAN THE FEDERAL MINIMUM WAGE.**

3 “(a) IN GENERAL.—In the case of a qualified em-  
4 ployer, there shall be allowed as a credit against the tax  
5 imposed under section 3111 an amount equal to 6.2 per-  
6 cent of the wages paid by such employer to qualified em-  
7 ployees during the calendar year.

8 “(b) QUALIFIED EMPLOYER.—For purposes of this  
9 section, the term ‘qualified employer’ means any employer  
10 for any calendar year if the lowest hourly wage paid by  
11 such employer to the lowest paid employee of such em-  
12 ployer (determined on an hourly basis) exceeds the min-  
13 imum hourly wage in effect for such calendar year under  
14 section 6(a)(1) of the Fair Labor Standards Act of 1938  
15 by \$1 or more per hour.

16 “(c) QUALIFIED EMPLOYEE.—For purposes of this  
17 section, the term ‘qualified employee’ means any employee  
18 of a qualified employer if—

19 “(1) such employee is compensated in wages on  
20 an hourly basis, and

21 “(2) such hourly wage is—

22 “(A) not less than \$1 more per hour than  
23 the minimum hourly wage in effect under sec-  
24 tion 6(a)(1) of the Fair Labor Standards Act of  
25 1938,

26 “(B) not more than \$15 per hour, and

1           “(C) in the case of any employee employed  
2           by such employer in any preceding calendar  
3           year, greater than the highest hourly wage paid  
4           by such employer to such employee during any  
5           such preceding calendar year.

6           “(d) SPECIAL RULES.—Wages shall be taken into ac-  
7           count in determining the amount of the credit allowed  
8           under subsection (a) only if such wages are paid by the  
9           employer—

10           “(1) with respect to employment (as defined in  
11           section 3121(b)), and

12           “(2) in the ordinary course of the employer’s  
13           trade or business.”.

14           (b) TRUST FUNDS HELD HARMLESS.—The amount  
15           of any transfer, appropriation, or credit to any trust fund  
16           shall be determined without regard to the amendment  
17           made by subsection (a).

18           (c) EFFECTIVE DATE.—The amendment made by  
19           subsection (a) shall apply to wages paid after the date that  
20           is 30 days after the date of enactment of this Act or Janu-  
21           ary 1, 2017, whichever date is earlier.

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