

112TH CONGRESS  
1ST SESSION

# S. 1271

To amend the Internal Revenue Code of 1986 to provide a temporary credit for hiring previously unemployed workers.

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IN THE SENATE OF THE UNITED STATES

JUNE 23, 2011

Mr. WHITEHOUSE introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a temporary credit for hiring previously unemployed workers.

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 “Job Creation Tax  
5 Credit Act of 2011”.

6 **SEC. 2. JOB CREATION TAX CREDIT.**

7 (a) IN GENERAL.—Subpart F of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by inserting after section 51 the fol-  
10 lowing new section:

1 **“SEC. 51A. JOB CREATION CREDIT.**

2 “(a) DETERMINATION OF AMOUNT.—For purposes of  
3 section 38, the amount of the job creation credit deter-  
4 mined under this section for the taxable year shall be  
5 equal to—

6 “(1) 15 percent of the qualified 2011 wages for  
7 such year, and

8 “(2) 10 percent of the qualified 2012 wages for  
9 such year.

10 “(b) QUALIFIED WAGES DEFINED.—For purposes of  
11 this section—

12 “(1) QUALIFIED WAGES.—The term ‘qualified  
13 wages’ means the wages paid or incurred by the em-  
14 ployer during the taxable year to qualified individ-  
15 uals.

16 “(2) QUALIFIED 2011 WAGES.—The term ‘quali-  
17 fied 2011 wages’ means, with respect to any indi-  
18 vidual, qualified wages attributable to service ren-  
19 dered during calendar year 2011.

20 “(3) QUALIFIED 2012 WAGES.—The term ‘quali-  
21 fied 2012 wages’ means, with respect to any indi-  
22 vidual, qualified wages attributable to service ren-  
23 dered during calendar year 2012.

24 “(4) LIMITATION ON WAGES TAKEN INTO AC-  
25 COUNT.—The amount of qualified 2011 wages, and  
26 the amount of qualified 2012 wages, which may be

1 taken into account with respect to any individual  
2 shall not exceed the contribution and benefit base  
3 (as determined under section 230 of the Social Secu-  
4 rity Act).

5 “(5) WAGES.—The term ‘wages’ has the mean-  
6 ing given such term under section 51(c), without re-  
7 gard to paragraph (4) thereof.

8 “(c) QUALIFIED INDIVIDUAL.—For purposes of this  
9 section, the term ‘qualified individual’ means any indi-  
10 vidual who—

11 “(1) begins employment with an employer after  
12 the date of the enactment of the Job Creation Tax  
13 Credit Act of 2011, and before January 1, 2013,

14 “(2) certifies by signed affidavit, under pen-  
15 alties of perjury, that such individual has not been  
16 employed for more than 40 hours during the 60-day  
17 period ending on the date such individual begins  
18 such employment, and

19 “(3) is not employed by the employer to replace  
20 another employee of such employer unless such other  
21 employee separated from employment voluntarily or  
22 for cause.

23 “(d) CERTAIN RULES TO APPLY.—

24 “(1) IN GENERAL.—Rules similar to the rules  
25 of section 52, and subsections (f), (g), (i) (other

1 than paragraph (3)(A) thereof), (j), and (k) of sec-  
2 tion 51, shall apply for purposes of this section.

3 “(2) CREDIT TO BE PART OF GENERAL BUSI-  
4 NESS CREDIT.—References to section 51 in section  
5 38(b), 280C, 1396(c)(3), and 1400R shall apply for  
6 purposes of this section.

7 “(e) COORDINATION WITH WORK OPPORTUNITY  
8 CREDIT.—If a credit is allowed under this section to an  
9 employer with respect to an individual for any taxable  
10 year, then for purposes of applying section 51 to such em-  
11 ployer, such individual shall not be treated as a member  
12 of a targeted group for such taxable year.”.

13 (b) CLERICAL AMENDMENT.—The table of sections  
14 for subpart F of part IV of subchapter A of chapter 1  
15 of such Code is amended by inserting after the item relat-  
16 ing to section 51 the following:

“Sec. 51A. Job creation credit.”.

17 (c) EFFECTIVE DATE.—The amendment made by  
18 this section shall apply to individuals hired after the date  
19 of the enactment of this Act.

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