

103^D CONGRESS
2^D SESSION

H. R. 3923

To amend the Internal Revenue Code of 1986 to provide tax credits to businesses with employees performing services in their residences or in telecommuting centers.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 1994

Mr. BAKER of California (for himself, Mr. DOOLITTLE, and Mr. LEVY) 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 provide tax credits to businesses with employees performing services in their residences or in telecommuting centers.

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 “Telecommuting Tax
5 Credit Act of 1994”.

6 **SEC. 2. TELECOMMUTING TAX CREDIT.**

7 (a) GENERAL RULE.—Subpart B of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end thereof the follow-
2 ing new section:

3 **“SEC. 30A. TELECOMMUTING TAX CREDIT.**

4 “(a) GENERAL RULE.—In the case of an employer
5 with 1 or more telecommuting employees, there shall be
6 allowed as a credit against the tax imposed by this chapter
7 for the taxable year an amount equal the per employee
8 credit determined for each such employee.

9 “(b) PER-EMPLOYEE CREDIT.—For purposes of this
10 section—

11 “(1) RESIDENTIAL TELECOMMUTING EMPLOY-
12 EES.—The per employee credit determined for any
13 residential telecommuting employee for any taxable
14 year is an amount which bears the same ratio to
15 \$500 as—

16 “(A) the average number of hours per
17 week for which the employee performs services
18 (which are part of the employee’s normal work-
19 week) in the employee’s residence, bears to

20 “(B) 40.

21 In no event shall the amount determined under the
22 preceding sentence exceed \$500.

23 “(2) OTHER TELECOMMUTING EMPLOYEES.—
24 The per employee credit determined for any
25 telecommuting employee (other than a residential

1 telecommuting employee) for any taxable year is an
2 amount which bears the same ratio to \$250 as—

3 “(A) the average number of hours per
4 week for which the employee performs services
5 (which are part of the employee’s normal work-
6 week) in a telecommuting center, bears to

7 “(B) 40.

8 In no event shall the amount determined under the
9 preceding sentence exceed \$250.

10 “(3) SPECIAL RULE FOR PART-YEAR EMPLOYEES.—In the case of an employee who was not em-
11 ployed by the taxpayer at all times during the tax-
12 able year, the dollar amounts set forth in paragraph
13 (1) or (2), whichever is applicable, shall be reduced
14 by a percentage based on the portion of the taxable
15 year during which the employee was not employed by
16 the taxpayer.

18 “(c) DEFINITIONS.—For purposes of this section—

19 “(1) TELECOMMUTING EMPLOYEE.—The term
20 ‘telecommuting employee’ means any employee of
21 the taxpayer if, pursuant to an agreement between
22 the taxpayer and the employee, such employee per-
23 forms services which are part of the employee’s nor-
24 mal workweek—

25 “(A) in such employee’s residence, or

1 “(B) in a telecommuting center but only if
2 such center is closer to such employee’s resi-
3 dence than the central worksite of the employer.

4 “(2) RESIDENTIAL TELECOMMUTING EM-
5 PLOYEE.—The term ‘residential telecommuting em-
6 ployee’ means any telecommuting employee described
7 in paragraph (1)(A).

8 “(3) TELECOMMUTING CENTER.—The term
9 ‘telecommuting center’ means any facility where em-
10 ployees of 2 or more employers or separate business
11 units of the same employer perform services if such
12 facility is separate from the central worksites of
13 such employers or business units.

14 “(d) LIMITATION.—The credit allowed by subsection
15 (a) for any taxable year shall not exceed 50 percent of
16 the sum of—

17 “(1) the regular tax for the taxable year re-
18 duced by the sum of the credits allowable under sub-
19 part A and the preceding sections of this subpart,
20 and

21 “(2) the minimum tax imposed by section 55
22 for the taxable year.”

23 (b) CLERICAL AMENDMENT.—The table of sections
24 for subpart B of part IV of subchapter A of chapter 1

1 of such Code is amended by adding at the end thereof
2 the following new item:

“Sec. 30A. Telecommuting tax credit.”

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 the date of the enactment of this Act.

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