

103<sup>D</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 71

To amend the Internal Revenue Code of 1986 to provide a tax credit to employers who employ members of the Ready Reserve or of the National Guard.

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IN THE HOUSE OF REPRESENTATIVES

JANUARY 5, 1993

Mr. BILIRAKIS introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide a tax credit to employers who employ members of the Ready Reserve or of the National Guard.

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. READY RESERVE-NATIONAL GUARD EMPLOYEE**

4 **CREDIT ADDED TO GENERAL BUSINESS**

5 **CREDIT.**

6 (a) READY RESERVE-NATIONAL GUARD CREDIT.—

7 Subpart D of part IV of subchapter A of chapter 1 of  
8 the Internal Revenue Code of 1986 (relating to business

1 related credits) is amended by adding at the end thereof  
2 the following new section:

3 **“SEC. 45A. READY RESERVE-NATIONAL GUARD EMPLOYEE**  
4 **CREDIT.**

5 “(a) GENERAL RULE.—For purposes of section 38,  
6 the Ready Reserve-National Guard employee credit deter-  
7 mined under this section for the taxable year is an amount  
8 equal to the sum of—

9 “(1) 50 percent of the actual compensation  
10 amount for the taxable year, plus

11 “(2) 10 percent of the unpaid compensation  
12 amount for the taxable year.

13 “(b) DEFINITION OF ACTUAL COMPENSATION  
14 AMOUNT AND UNPAID COMPENSATION AMOUNT.—For  
15 purposes of this section—

16 “(1) ACTUAL COMPENSATION AMOUNT.—The  
17 term ‘actual compensation amount’ means the  
18 amount of compensation paid or incurred by an em-  
19 ployer with respect to a Ready Reserve-National  
20 Guard employee on any day during a taxable year  
21 when the employee was absent from employment for  
22 the purpose of performing qualified active duty.

23 “(2) UNPAID COMPENSATION AMOUNT.—The  
24 term ‘unpaid compensation amount’ means the  
25 amount of compensation which ordinarily would have

1       been paid or incurred by an employer with respect  
2       to a Ready Reserve-National Guard employee on any  
3       day during a taxable year but was not paid because  
4       the employee was absent from employment for the  
5       purpose of performing qualified active duty.

6       “(c) LIMITATIONS.—

7               “(1) MAXIMUM CREDIT.—The maximum credit  
8       allowable under subsection (a) shall not exceed  
9       \$2,000 in any taxable year with respect to any one  
10      Ready Reserve-National Guard employee.

11             “(2) DAYS OTHER THAN WORK DAYS.—No  
12      credit shall be allowed with respect to a Ready Re-  
13      serve-National Guard employee who performs quali-  
14      fied active duty on any day on which the employee  
15      was not scheduled to work (for a reason other than  
16      to participate in qualified active duty) and ordinarily  
17      would not have worked.

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

19             “(1) QUALIFIED ACTIVE DUTY.—The term  
20      ‘qualified active duty’ means—

21               “(A) active duty, other than the training  
22              duty specified in section 270(a) of title 10,  
23              United States Code (relating to training re-  
24              quirements for the Ready Reserve), or section  
25              502(a) of title 32, United States Code (relating

1 to required drills and field exercises for the Na-  
2 tional Guard), in connection with which an em-  
3 ployee is entitled to reemployment rights and  
4 other benefits or to a leave of absence from em-  
5 ployment under section 2024 of title 38, United  
6 States Code, and

7 “(B) hospitalization incident to such duty.

8 “(2) COMPENSATION.—The term ‘compensa-  
9 tion’ means any remuneration for employment,  
10 whether in cash or in kind—

11 “(A) which is paid or incurred by a tax-  
12 payer and which is deductible from the tax-  
13 payer’s gross income under section 162(a)(1),  
14 or

15 “(B) which if paid would have been so de-  
16 ductible.

17 “(3) READY RESERVE-NATIONAL GUARD EM-  
18 PLOYEE.—The term ‘Ready Reserve-National Guard  
19 employee’ means an employee who is a member of  
20 the Ready Reserve or of the National Guard.

21 “(4) NATIONAL GUARD.—The term ‘National  
22 Guard’ has the meaning given such term by section  
23 101(9) of title 10, United States Code.

1           “(5) READY RESERVE.—The term ‘Ready Re-  
2           serve’ has the meaning given such term by section  
3           268 of title 10, United States Code.”

4           (b) GENERAL BUSINESS CREDIT.—

5           (1) IN GENERAL.—Subsection (b) of section 38  
6           of such Code (relating to general business credit) is  
7           amended by adding at the end thereof the following  
8           new paragraph:

9           “(9) the Ready Reserve-National Guard em-  
10          ployee credit determined under section 45A(a).”

11          (2) CLERICAL AMENDMENTS.—Such subsection  
12          is further amended—

13                 (A) by striking “plus” in paragraph (7),  
14                 and

15                 (B) by striking the period at the end of  
16                 paragraph (8) and inserting “, plus”.

17 **SEC. 2. CONFORMING AMENDMENT.**

18          The table of sections for subpart D of part IV of sub-  
19          chapter A of chapter 1 of the Internal Revenue Code of  
20          1986 is amended by inserting after the item relating to  
21          section 45 the following new item:

                  “Sec. 45A. Ready Reserve-National Guard employee credit.”

22 **SEC. 3. EFFECTIVE DATE.**

23          The amendments made by this Act shall apply to tax-  
24          able years beginning after December 31, 1992.

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