

107TH CONGRESS
2^D SESSION

H. R. 4626

To amend the Internal Revenue Code of 1986 to accelerate the marriage penalty relief in the standard deduction and to modify the work opportunity credit and the welfare-to-work credit.

IN THE HOUSE OF REPRESENTATIVES

MAY 1, 2002

Mr. HOUGHTON (for himself and Mr. WELLER) 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 accelerate the marriage penalty relief in the standard deduction and to modify the work opportunity credit and the welfare-to-work credit.

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 “Encouraging Work and
5 Supporting Marriage Act of 2002”.

1 **TITLE I—ACCELERATION OF**
 2 **MARRIAGE PENALTY RELIEF**

3 **SEC. 101. ACCELERATION OF INCREASE IN STANDARD DE-**
 4 **DUCTION FOR JOINT RETURNS.**

5 (a) **IN GENERAL.**—Paragraph (7) of section 63(c) of
 6 the Internal Revenue Code of 1986, as amended by section
 7 301 of the Economic Growth and Tax Relief Reconcili-
 8 ation Act of 2001, is amended to read as follows:

9 “(7) **APPLICABLE PERCENTAGE.**—For purposes
 10 of paragraph (2), the applicable percentage shall be
 11 determined in accordance with the following table:

“For taxable years beginning in calendar year—	The applicable percentage is—
2003 or 2004	170
2005	174
2006	184
2007	187
2008	190
2009 and thereafter	200.”.

12 (b) **EFFECTIVE DATE.**—The amendment made by
 13 this section shall apply to taxable years beginning after
 14 December 31, 2002.

1 **TITLE II—MODIFICATIONS TO**
2 **WORK OPPORTUNITY CREDIT**
3 **AND WELFARE-TO-WORK**
4 **CREDIT**

5 **SEC. 201. MODIFICATIONS TO WORK OPPORTUNITY CREDIT**
6 **AND WELFARE-TO-WORK CREDIT.**

7 (a) **ELIGIBILITY OF EX-FELONS DETERMINED**
8 **WITHOUT REGARD TO FAMILY INCOME.**—Paragraph (4)
9 of section 51(d) of the Internal Revenue Code of 1986
10 is amended by adding “and” at the end of subparagraph
11 (A), by striking “, and” at the end of subparagraph (B)
12 and inserting a period, and by striking all that follows sub-
13 paragraph (B).

14 (b) **INCREASE IN MAXIMUM AGE FOR ELIGIBILITY OF**
15 **FOOD STAMP RECIPIENTS.**—Clause (i) of section
16 51(d)(8)(A) of such Code is amended by striking “25” and
17 inserting “30”.

18 (c) **EFFECTIVE DATE.**—The amendments made by
19 this section shall apply to individuals who begin work for
20 the employer after December 31, 2002.

21 **SEC. 202. CONSOLIDATION OF WORK OPPORTUNITY CRED-**
22 **IT WITH WELFARE-TO-WORK CREDIT.**

23 (a) **IN GENERAL.**—Paragraph (1) of section 51(d) of
24 the Internal Revenue Code of 1986 is amended by striking
25 “or” at the end of subparagraph (G), by striking the pe-

1 riod at the end of subparagraph (H) and inserting “, or”,
2 and by adding at the end the following new subparagraph:

3 “(I) a long-term family assistance recipi-
4 ent.”

5 (b) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—

6 Subsection (d) of section 51 of such Code is amended by
7 redesignating paragraphs (10) through (12) as para-
8 graphs (11) through (13), respectively, and by inserting
9 after paragraph (9) the following new paragraph:

10 “(10) LONG-TERM FAMILY ASSISTANCE RECIPI-
11 ENT.—The term ‘long-term family assistance recipi-
12 ent’ means any individual who is certified by the
13 designated local agency—

14 “(A) as being a member of a family receiv-
15 ing assistance under a IV-A program (as de-
16 fined in paragraph (2)(B)) for at least the 18-
17 month period ending on the hiring date,

18 “(B)(i) as being a member of a family re-
19 ceiving such assistance for 18 months beginning
20 after August 5, 1997, and

21 “(ii) as having a hiring date which is not
22 more than 2 years after the end of the earliest
23 such 18-month period, or

24 “(C)(i) as being a member of a family
25 which ceased to be eligible for such assistance

1 by reason of any limitation imposed by Federal
2 or State law on the maximum period such as-
3 sistance is payable to a family, and

4 “(ii) as having a hiring date which is not
5 more than 2 years after the date of such ces-
6 sation.”

7 (c) INCREASED CREDIT FOR EMPLOYMENT OF LONG-
8 TERM FAMILY ASSISTANCE RECIPIENTS.—Section 51 of
9 such Code is amended by inserting after subsection (d)
10 the following new subsection:

11 “(e) CREDIT FOR SECOND-YEAR WAGES FOR EM-
12 PLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPI-
13 ENTS.—

14 “(1) IN GENERAL.—With respect to the em-
15 ployment of a long-term family assistance
16 recipient—

17 “(A) the amount of the work opportunity
18 credit determined under this section for the tax-
19 able year shall include 40 percent of the quali-
20 fied second-year wages for such year, and

21 “(B) in lieu of applying subsection (b)(3),
22 the amount of the qualified first-year wages,
23 and the amount of qualified second-year wages,
24 which may be taken into account with respect

1 to such a recipient shall not exceed \$10,000 per
2 year.

3 “(2) QUALIFIED SECOND-YEAR WAGES.—For
4 purposes of this subsection, the term ‘qualified sec-
5 ond-year wages’ means qualified wages—

6 “(A) which are paid to a long-term family
7 assistance recipient, and

8 “(B) which are attributable to service ren-
9 dered during the 1-year period beginning on the
10 day after the last day of the 1-year period with
11 respect to such recipient determined under sub-
12 section (b)(2).

13 “(3) SPECIAL RULES FOR AGRICULTURAL AND
14 RAILWAY LABOR.—If such recipient is an employee
15 to whom subparagraph (A) or (B) of subsection
16 (h)(1) applies, rules similar to the rules of such sub-
17 paragraphs shall apply except that—

18 “(A) such subparagraph (A) shall be ap-
19 plied by substituting ‘\$10,000’ for ‘\$6,000’, and

20 “(B) such subparagraph (B) shall be ap-
21 plied by substituting ‘\$833.33’ for ‘\$500’.”

22 (d) REPEAL OF SEPARATE WELFARE-TO-WORK
23 CREDIT.—

24 (1) IN GENERAL.—Section 51A of such Code is
25 hereby repealed.

1 (2) CLERICAL AMENDMENT.—The table of sec-
2 tions for subpart F of part IV of subchapter A of
3 chapter 1 of such Code is amended by striking the
4 item relating to section 51A.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to individuals who begin work for
7 the employer after December 31, 2002.

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