

105TH CONGRESS  
2D SESSION

# S. 2018

To amend the Internal Revenue Code of 1986 to extend the work opportunity tax credit to employers providing employment in economically distressed communities.

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## IN THE SENATE OF THE UNITED STATES

APRIL 30, 1998

Mr. JOHNSON 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 extend the work opportunity tax credit to employers providing employment in economically distressed communities.

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 “Reemployment Tax  
5 Credit Act of 1998”.

6 **SEC. 2. WORK OPPORTUNITY TAX CREDIT.**

7 (a) QUALIFIED DISLOCATED WORKERS TREATED AS  
8 MEMBERS OF TARGETED GROUPS.—

1           (1) IN GENERAL.—Paragraph (1) of section  
2           51(d) of the Internal Revenue Code of 1986 (relat-  
3           ing to members of targeted groups) is amended by  
4           striking “or” at the end of subparagraph (G), by  
5           striking the period at the end of subparagraph (H)  
6           and inserting “, or”, and by adding at the end the  
7           following new subparagraph:

8                     “(I) a qualified dislocated worker.”.

9           (2) QUALIFIED DISLOCATED WORKER.—Section  
10          51(d) of such Code is amended by redesignating  
11          paragraphs (10), (11), and (12) as paragraphs (11),  
12          (12), and (13), respectively, and by inserting after  
13          paragraph (9) the following new paragraph:

14                   “(10) QUALIFIED DISLOCATED WORKER.—

15                   “(A) IN GENERAL.—The term ‘qualified  
16                   dislocated worker’ means any individual who is  
17                   certified by the designated local agency as—

18                             “(i) being eligible for unemployment  
19                             compensation (within the meaning of sec-  
20                             tion 85) as a result of loss of employment  
21                             at a work-site located in an economic dis-  
22                             location area,

23                             “(ii) having a hiring date which is not  
24                             later than 90 days after the date on which

1 the individual becomes eligible for such un-  
2 employment compensation, and

3 “(iii) being offered employment at a  
4 work-site which is not more than 60 miles  
5 from the previous work-site of the individ-  
6 ual.

7 “(B) CERTIFICATION OF ECONOMIC DIS-  
8 LOCATION AREA.—

9 “(i) CERTIFICATION.—Not later than  
10 20 days after an application for certifi-  
11 cation of a community as an economic dis-  
12 location area is received by the Assistant  
13 Secretary of Economic Development of the  
14 Department of Commerce under clause  
15 (ii), the Assistant Secretary shall certify  
16 whether or not the community is an eco-  
17 nomic dislocation area as determined  
18 under subparagraph (C) or (D).

19 “(ii) APPLICATION.—For purposes of  
20 clause (i), the application for certification  
21 shall be submitted by the Governor of the  
22 State (or the Governor’s designee) in which  
23 the community for which certification is  
24 being sought is located and shall be in  
25 such form and contain such information as

1 the Assistant Secretary may require in  
2 order to determine whether the community  
3 is an economic dislocation area.

4 “(C) COMMUNITIES LOCATED IN A METRO-  
5 POLITAN STATISTICAL AREA.—Except as pro-  
6 vided in subparagraph (E), a community lo-  
7 cated in a metropolitan statistical area (within  
8 the meaning of section 143(k)(2)(B)) shall be  
9 certified as an economic dislocation area if the  
10 community suffers actual or threatened perma-  
11 nent job loss and—

12 “(i) in the case of a metropolitan sta-  
13 tistical area in which the unemployment  
14 rate is greater than the national average,  
15 the job loss in the community is equal to  
16 or greater than the lesser of—

17 “(I) 0.5 percent of the employed  
18 population in the community, or

19 “(II) 4,000, or

20 “(ii) in the case of a metropolitan sta-  
21 tistical area in which the unemployment  
22 rate is equal to or less than the national  
23 average, the job loss in the community is  
24 equal to or greater than the lesser of—

1                   “(I) 1 percent of the employed  
2                   population in the community, or

3                   “(II) 8,000.

4                   “(D) COMMUNITIES NOT LOCATED IN A  
5                   METROPOLITAN STATISTICAL AREA.—Except as  
6                   provided in subparagraph (E), a community  
7                   that is not located in a metropolitan statistical  
8                   area shall be certified as an economic disloca-  
9                   tion area if the community suffers actual or  
10                  threatened permanent job loss and—

11                  “(i) if the unemployment rate of the  
12                  Labor Market Area in which the commu-  
13                  nity is located is greater than the national  
14                  average, the job loss in the community is  
15                  equal to or greater than the lesser of—

16                  “(I) 2 percent of the employed  
17                  population in the community, or

18                  “(II) 500, or

19                  “(ii) if the unemployment rate of the  
20                  Labor Market Area in which the commu-  
21                  nity is located is equal to or less than the  
22                  national average, the job loss in the com-  
23                  munity is equal to or greater than the less-  
24                  er of—

1                   “(I) 4 percent of the employed  
2                   population in the community, or

3                   “(II) 1,000.

4                   “(E) REQUIRED JOB LOSS PERCENTAGE.—

5                   A community shall not be certified under this  
6                   paragraph as an economic dislocation area un-  
7                   less at least—

8                   “(i) 50 percent of the job loss in the  
9                   community is the result of the action of a  
10                  single employer, or

11                  “(ii) 80 percent of such job loss oc-  
12                  curs in a single standard industry classi-  
13                  fication.”.

14                  (b) EFFECTIVE DATE.—The amendments made by  
15                  this section shall apply to individuals who begin work for  
16                  the employer after December 31, 1998.

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