

107TH CONGRESS  
1ST SESSION

# H. R. 508

To amend the Internal Revenue Code of 1986 to allow individuals a refundable credit based on their earned income.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 7, 2001

Mr. LAFALCE (for himself, Mr. GUTIERREZ, Mr. SANDLIN, Mr. GONZALEZ, Mrs. JONES of Ohio, and Mr. CAPUANO) 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 allow individuals a refundable credit based on their earned income.

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 “Worker’s Income Tax  
5       Credit Act of 2001”.

6       **SEC. 2. REFUNDABLE CREDIT FOR INDIVIDUALS BASED ON**  
7       **EARNED INCOME.**

8       (a) GENERAL RULE.—Subpart C of part IV of sub-  
9       chapter A of chapter 1 of the Internal Revenue Code of  
10       1986 (relating to refundable credits) is amended by redess-

1 ignating section 35 as section 36 and by inserting after  
2 section 34 the following new section:

3 **“SEC. 35. WORKER CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—In the case of an in-  
5 dividual, there shall be allowed as a credit against the tax  
6 imposed by this subtitle for the taxable year the amount  
7 equal to 6.2 percent of the sum of—

8 “(1) the individual’s wages, salaries, tips, and  
9 other employee compensation includible in gross in-  
10 come, plus

11 “(2) the individual’s earned income (as defined  
12 in section 401(c)(2)).

13 “(b) LIMITATION.—The amount allowed as a credit  
14 under subsection (a) to an individual for any taxable year  
15 shall not exceed \$350.”

16 (b) CONFORMING AMENDMENTS.—

17 (1) Section 1324(b)(2) of title 31, United  
18 States Code, is amended by inserting “or from sec-  
19 tion 35 of such Code,” after “1978,”.

20 (2) The table of sections for subpart C of part  
21 IV of subchapter A of chapter 1 of the Internal Rev-  
22 enue Code of 1986 is amended by striking the last  
23 item and inserting the following new items:

“Sec. 35. Worker credit.  
“Sec. 36. Overpayments of tax.”.

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

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