

108TH CONGRESS
1ST SESSION

H. R. 2188

To provide for additional benefits under the Temporary Extended Unemployment Compensation Act of 2002, to extend the Federal unemployment benefits system, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 21, 2003

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

A BILL

To provide for additional benefits under the Temporary Extended Unemployment Compensation Act of 2002, to extend the Federal unemployment benefits system, and for other purposes.

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 “Safety Net Extension
5 Act”.

1 **TITLE I—TEMPORARY EX-**
2 **TENDED UNEMPLOYMENT**
3 **COMPENSATION**

4 **SEC. 101. PROGRAM EXTENSION.**

5 Section 208 of the Temporary Extended Unemploy-
6 ment Compensation Act of 2002 (26 U.S.C. 3304 note)
7 is amended—

8 (1) in subsection (a), by striking “June 1” and
9 inserting “November 30”; and

10 (2) in subsection (b)—

11 (A) by striking “May 31” each place it ap-
12 pears and inserting “November 29”; and

13 (B) in paragraph (3), by striking “August
14 30, 2003” and inserting “February 28, 2004”.

15 **SEC. 102. ADDITIONAL WEEKS OF BENEFITS.**

16 (a) IN GENERAL.—Section 203 of the Temporary Ex-
17 tended Unemployment Compensation Act of 2002 is
18 amended by adding at the end the following:

19 “(d) ADDITIONAL WEEKS OF BENEFITS.—Notwith-
20 standing any other provision of this section, upon the ex-
21 haustion of all amounts that may be credited to an individ-
22 ual’s account under the preceding provisions of this sec-
23 tion, such account shall be increased by an amount equal
24 to 8 times the individual’s average weekly benefit amount

1 for the benefit year (as determined under subsection
2 (b)(2)).”st

3 (b) **EFFECTIVE DATE AND APPLICABILITY.**—The
4 amendment made by subsection (a)—

5 (1) shall take effect as if included in the enact-
6 ment of the Temporary Extended Unemployment
7 Compensation Act of 2002, and shall apply to weeks
8 of unemployment beginning on or after the date of
9 the enactment of this Act, but

10 (2) shall not apply in the case of any individual
11 whose eligibility for additional weeks of benefits
12 would be based on an exhaustion of amounts (as re-
13 quired under such amendment) occurring on or after
14 the date of the enactment of this Act.

15 **TITLE II—FEDERAL UNEMPLOY-**
16 **MENT BENEFIT SYSTEM RE-**
17 **FORMS**

18 **SEC. 201. EXTENDED BENEFITS TRIGGER.**

19 (a) **IN GENERAL.**—Section 203(d) of the Federal-
20 State Extended Unemployment Compensation Act of 1970
21 (26 U.S.C. 3304 note) is amended—

22 (1) in subparagraph (B) of paragraph (1), by
23 striking “5 per centum” and inserting “4 per cen-
24 tum”, and

1 (2) in the first flush sentence following para-
2 graph (2), by striking “5” and inserting “4”.

3 (b) EFFECTIVE DATE.—The amendments made by
4 subsection (a) shall apply to weeks of unemployment be-
5 ginning on or after the date of the enactment of this Act.

6 **SEC. 202. INCREASE AND DECREASE IN EARNINGS CRED-**
7 **ITED TO STATE ACCOUNTS WHEN STATES**
8 **MEET OR FAIL TO MEET FUNDING GOALS.**

9 (a) IN GENERAL.—Section 904 of the Social Security
10 Act (42 U.S.C. 1104) is amended by adding at the end
11 the following new subsection:

12 “Increase and Decrease in Amount of Earnings Allocated
13 to State Accounts When States Meet or Fail to Meet
14 Funding Goals

15 “(h)(1) If the average daily balance in a State ac-
16 count in the Unemployment Trust Fund for any calendar
17 quarter exceeds the funding goal of such State, the
18 amount otherwise creditable to such account under sub-
19 section (e) for such quarter shall be increased by the inter-
20 est premium on such excess. If the average daily balance
21 in such a State account for any calendar quarter is less
22 than the funding goal of such State, the amount otherwise
23 creditable to such account under subsection (e) for such
24 quarter shall be decreased by the interest penalty.

1 “(2) Paragraph (1) shall not apply with respect to
2 any interest premium or interest penalty to the extent that
3 such application would result in an increase or decrease
4 of more than \$2,500,000 in the amount creditable to any
5 State account for any calendar quarter.

6 “(3) For purposes of this subsection, the term ‘inter-
7 est premium’ means, for any calendar quarter—

8 “(A) with respect to the State with the largest
9 percentage value of excess of the average daily bal-
10 ance in the State account in the Unemployment
11 Trust Fund over the funding goal of such State,
12 one-half of one percent of the amount of such ex-
13 cess, and

14 “(B) with respect to each other State, the prod-
15 uct of—

16 “(i) the amount of the excess of the aver-
17 age daily balance in the State account in the
18 Unemployment Trust Fund over the funding
19 goal of such State, and

20 “(ii) the percentage which bears the same
21 ratio to one-half of one percent as—

22 “(I) the percentage value of such ex-
23 cess, bears to

1 “(II) the percentage value of the ex-
2 cess of the State referred to in subpara-
3 graph (A).

4 The Secretary shall make appropriate adjustments in the
5 interest premium for any calendar quarter if the aggregate
6 interest premiums payable for such quarter exceed the ag-
7 gregate interest penalties for such quarter.

8 “(4) For purposes of this subsection, the term ‘inter-
9 est penalty’ means, for any calendar quarter—

10 “(A) with respect to the State with the largest
11 percentage value of excess of the funding goal of
12 such State over the average daily balance in the
13 State account in the Unemployment Trust Fund,
14 one-half of one percent of the amount otherwise
15 creditable to such account under subsection (e), and

16 “(B) with respect to each other State, the prod-
17 uct of—

18 “(i) the amount otherwise creditable to
19 such account under subsection (e), and

20 “(ii) the percentage which bears the same
21 ratio to one-half of one percent as—

22 “(I) the percentage value of the excess
23 of the funding goal of the State over such
24 average daily balance of such State, bears
25 to

1 “(II) the percentage value of such ex-
2 cess of the State referred to in subpara-
3 graph (A).

4 “(5) For purposes of this subsection, the term ‘fund-
5 ing goal’ means, for any State for any calendar quarter,
6 the average of the unemployment insurance benefits paid
7 by such State during each of the 3 years, in the 20-year
8 period ending with the calendar year containing such cal-
9 endar quarter, during which the State paid the greatest
10 amount of unemployment benefits.

11 “(6) For purposes of this subsection, the term ‘per-
12 centage value’ means—

13 “(A) with respect to any excess of the average
14 daily balance in a State account in the Unemploy-
15 ment Trust Fund over the funding goal of such
16 State, the percentage which such excess bears to
17 such funding goal, and

18 “(B) with respect to any excess of such funding
19 goal over such average daily balance, the percentage
20 which such excess bears to such funding goal.”.

21 (b) CONFORMING AMENDMENTS.—

22 (1) AMOUNTS CREDITED TO STATE AC-
23 COUNTS.—Subsection (e) of section 904 of the So-
24 cial Security Act (42 U.S.C. 1104(e)) is amended in

1 the first sentence by inserting “(as modified by sub-
2 section (h))” after “a proportionate part”.

3 (2) INTEREST RATE ON REPAYMENT OF AD-
4 VANCES DETERMINED WITHOUT REGARD TO INTER-
5 EST PREMIUMS OR PENALTIES ON AMOUNTS CRED-
6 ITED TO STATE ACCOUNTS.—Subparagraph (A) of
7 section 1202(b)(4) of such Act (42 U.S.C.
8 1322(b)(4)) is amended by inserting “(determined
9 without regard to section 904(h))” after “preceding
10 calendar year”.

11 (c) REPORT.—Not later than 6 months after the date
12 of the enactment of this Act, the Secretary of Labor shall
13 submit to the Congress a report recommending sources of
14 funding for the crediting of interest premiums under sub-
15 section (h) of section 904 of the Social Security Act (42
16 U.S.C. 1104), as added by this section, in the event that
17 the imposition of interest penalties under such subsection
18 is insufficient to fund such premiums.

19 (d) EFFECTIVE DATE.—The amendments made by
20 this section shall apply to calendar years beginning after
21 December 31, 2006.

1 **SEC. 203. INTEREST-FREE ADVANCES TO STATE ACCOUNTS**
2 **IN UNEMPLOYMENT TRUST FUND RE-**
3 **STRICTED TO STATES WHICH MEET FUNDING**
4 **GOALS.**

5 (a) IN GENERAL.—Subparagraph (C) of section
6 1202(b)(2) of the Social Security Act (42 U.S.C.
7 1322(b)(2)) is amended to read as follows:

8 “(C) the average daily balance in the account of
9 such State in the Unemployment Trust Fund for
10 each of 4 of the 5 calendar quarters preceding the
11 calendar quarter in which such advances were made
12 exceeds the funding goal of such State (as defined
13 in section 904(h)).”

14 (b) EFFECTIVE DATE.—The amendment made by
15 subsection (a) shall apply to calendar years beginning
16 after the date of the enactment of this Act.

17 **TITLE III—AMENDMENTS TO**
18 **THE INTERNAL REVENUE**
19 **CODE OF 1986**

20 **SECTION 301. 2-YEAR SUSPENSION OF TAX ON UNEMPLOY-**
21 **MENT COMPENSATION.**

22 (a) IN GENERAL.—Section 85 of the Internal Rev-
23 enue Code of 1986 (relating to unemployment compensa-
24 tion) is amended by adding at the end the following new
25 subsection:

1 “(c) MORATORIUM.—This section shall not apply to
2 taxable years beginning in 2003 or 2004.”.

3 (b) EFFECTIVE DATE.—The amendment made by
4 this section shall take apply to taxable years beginning
5 after December 31, 2002.

6 **SEC. 302. STATE COLLECTION OF FEDERAL UNEMPLOY-**
7 **MENT TAX.**

8 (a) IN GENERAL.—Chapter 23 of the Internal Rev-
9 enue Code of 1986 (relating to Federal Unemployment
10 Tax Act) is amended by redesignating section 3311 as sec-
11 tion 3312 and by inserting after section 3310 the following
12 new section:

13 **“SEC. 3311. STATE COLLECTION OF TAX.**

14 “(a) IN GENERAL.—At the election of any State
15 which is certified as provided in section 3304, each em-
16 ployer who pays contributions, with respect to any wages,
17 into an unemployment fund maintained under the unem-
18 ployment compensation law of such State shall submit the
19 tax imposed by this chapter with respect to such wages
20 to such State rather than to the Secretary.

21 “(b) COORDINATION WITH DEPOSITARY REQUIRE-
22 MENTS.—Payment under subsection (a) of the tax im-
23 posed by this chapter with respect to any wages shall be
24 treated as timely paid for purposes of this title if paid
25 by the employer to the State at the same time as a timely

1 paid payment, with respect to such wages, of contributions
2 into an unemployment fund maintained under the unem-
3 ployment compensation law of such State.

4 “(c) EXCEPTION FOR PAYMENTS NOT TIMELY
5 PAID.—Subsection (a) shall not apply to any payment of
6 the tax imposed by this chapter which is not paid by an
7 employer on or before the last date on which such payment
8 would be treated as timely paid under subsection (b).

9 “(d) FEDERAL TAX TRANSFERRED TO SEC-
10 RETARY.—Each State making an election under sub-
11 section (a) shall transmit to the Secretary, at the time
12 and in the manner prescribed by the Secretary, the
13 amount of the tax imposed by this chapter which is sub-
14 mitted to such State under subsection (a) and a copy of
15 the State tax return of each employer making such a sub-
16 mission. The Secretary may, after consultation with such
17 organizations or other entities as the Secretary considers
18 appropriate, prescribe regulations requiring that addi-
19 tional information be submitted by such State with respect
20 to the amount of such tax payable by such employer.”

21 (b) CLERICAL AMENDMENT.—The table of sections
22 for chapter 23 of such Code is amended by striking the
23 item relating to section 3311 and inserting the following
24 new items:

“Sec. 3311. State collection of tax.

“Sec. 3312. Short title.”

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2003.

4 **SEC. 303. REQUIRED DISTRIBUTION OF STATE-SPECIFIC IN-**
5 **FORMATION PACKETS.**

6 (a) IN GENERAL.—Subsection (a) of section 3304 of
7 the Internal Revenue Code of 1986 (relating to approval
8 of State laws) is amended by striking “and” at the end
9 of paragraph (18), by striking the period at the end of
10 paragraph (19) and inserting “; and”, and by adding at
11 the end the following new paragraph:

12 “(20) the State will distribute to unemployed
13 individuals State-specific information packets ex-
14 plaining unemployment insurance eligibility condi-
15 tions.”

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall apply to certifications of States for
18 2003, except that section 3304(a)(20) of such Code, as
19 added by subsection (a), shall not be a requirement for
20 the State law of any State prior to July 1, 2004, if the
21 legislature of such State does not meet in a regular session
22 which closes during the calendar year 2003.

1 **TITLE IV—TRADE ADJUSTMENT**
2 **ASSISTANCE PROVISIONS**

3 **SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

4 (a) ADJUSTMENT ASSISTANCE FOR WORKERS.—Sec-
5 tion 245(a) of the Trade Act of 1974 (19 U.S.C. 2317(a))
6 is amended by striking “September 30, 2007” and insert-
7 ing “September 30, 2009”.

8 (b) ADJUSTMENT ASSISTANCE FOR FIRMS.—Section
9 256(b) of the Trade Act of 1974 (19 U.S.C. 2346(b)) is
10 amended by striking “2007” and inserting “2009”.

11 (c) ADJUSTMENT ASSISTANCE FOR FARMERS.—Sec-
12 tion 298(a) of the Trade Act of 1974 (19 U.S.C.
13 2401g(a)) is amended by striking “2007” and inserting
14 “2009”.

15 **SEC. 402. DELEGATION OF FUNCTIONS, POWERS, AND DU-**
16 **TIES TO CARRY OUT THE ADJUSTMENT AS-**
17 **SISTANCE FOR FIRMS PROGRAM.**

18 (a) DELEGATION.—Section 256 of the Trade Act of
19 1974 (19 U.S.C. 2346) is amended—

20 (1) by redesignating subsections (a) through (c)
21 as subsections (b) through (d), respectively;

22 (2) by inserting before subsection (b) (as redес-
23 igned) the following:

24 “(a) Except as provided in subsection (b), the Sec-
25 retary shall delegate all functions, powers, and duties of

1 the Secretary under this chapter to the International
2 Trade Administration.”; and

3 (3) in the heading, by striking “**TO SMALL**
4 **BUSINESS ADMINISTRATION**”.

5 (b) CONFORMING AMENDMENT.—The table of con-
6 tents of the Trade Act of 1974 is amended in the item
7 relating to section 256 to read as follows:

“Sec. 256. Delegation of functions; authorization of appropriations.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall take effect beginning 60 days after the
10 date of the enactment of this Act.

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