

AMENDMENT TO RULES COMMITTEE PRINT 115-

39

OFFERED BY MS. ADAMS OF NORTH CAROLINA

Page 447, after line 3, insert the following:

1 **TITLE VI—TAX CREDIT TO STEM**
2 **BUSINESSES THAT HIRE**
3 **GRADUATES FROM MINORITY**
4 **SERVING INSTITUTIONS.**

5 **SEC. 6001. TAX CREDIT TO STEM BUSINESSES THAT HIRE**
6 **GRADUATES FROM MINORITY SERVING INSTI-**
7 **TUTIONS.**

8 (a) IN GENERAL.—Subpart F of part IV of sub-
9 chapter A of chapter 1 is amended by inserting before sec-
10 tion 52 the following:

11 **“SEC. 51A. CREDIT TO STEM BUSINESSES FOR HIRING**
12 **GRADUATES FROM MINORITY SERVING INSTI-**
13 **TUTIONS.**

14 “(a) DETERMINATION OF AMOUNT.—For purposes of
15 section 38, the amount of the credit determined under this
16 section for the taxable year shall be equal to 40 percent
17 of the qualified first-year wages for such year.

18 “(b) QUALIFIED WAGES DEFINED.—For purposes of
19 this subpart—

1 “(1) IN GENERAL.—The term ‘qualified wages’
2 means the wages paid or incurred by the employer
3 during the taxable year to individuals who are grad-
4 uates of minority serving institutions.

5 “(2) QUALIFIED FIRST-YEAR WAGES.—The
6 term ‘qualified first-year wages’ means, with respect
7 to any individual, qualified wages attributable to
8 service rendered during the 1-year period beginning
9 with the day the individual begins work for the em-
10 ployer.

11 “(3) LIMITATION ON WAGES PER YEAR TAKEN
12 INTO ACCOUNT.—The amount of the qualified first-
13 year wages which may be taken into account with re-
14 spect to any individual shall not exceed \$6,000 per
15 year.

16 “(c) WAGES DEFINED.—For purposes of this sub-
17 part—

18 “(1) IN GENERAL.—Except as otherwise pro-
19 vided in this section, the term ‘wages’ has the mean-
20 ing given to such term by subsection (b) of section
21 3306 (determined without regard to any dollar limi-
22 tation contained in such section).

23 “(2) ON-THE-JOB TRAINING AND WORK SUP-
24 PLEMENTATION PAYMENTS.—

1 “(A) EXCLUSION FOR EMPLOYERS RECEIV-
2 ING ON-THE-JOB TRAINING PAYMENTS.—The
3 term ‘wages’ shall not include any amounts
4 paid or incurred by an employer for any period
5 to any individual for whom the employer re-
6 ceives federally funded payments for on-the-job
7 training of such individual for such period.

8 “(B) REDUCTION FOR WORK SUPPLEMEN-
9 TATION PAYMENTS TO EMPLOYERS.—The
10 amount of wages which would (but for this sub-
11 paragraph) be qualified wages under this sec-
12 tion for an employer with respect to an indi-
13 vidual for a taxable year shall be reduced by an
14 amount equal to the amount of the payments
15 made to such employer (however utilized by
16 such employer) with respect to such individual
17 for such taxable year under a program estab-
18 lished under section 482(e) 1 of the Social Se-
19 curity Act.

20 “(3) PAYMENTS FOR SERVICES DURING LABOR
21 DISPUTES.—If—

22 “(A) the principal place of employment of
23 an individual with the employer is at a plant or
24 facility, and

1 “(B) there is a strike or lockout involving
2 employees at such plant or facility, the term
3 ‘wages’ shall not include any amount paid or in-
4 curred by the employer to such individual for
5 services which are the same as, or substantially
6 similar to, those services performed by employ-
7 ees participating in, or affected by, the strike or
8 lockout during the period of such strike or lock-
9 out.

10 “(4) COORDINATION WITH PAYROLL TAX FOR-
11 GIVENESS.—The term ‘wages’ shall not include any
12 amount paid or incurred to a qualified individual (as
13 defined in section 3111(d)(3)) during the 1-year pe-
14 riod beginning on the hiring date of such individual
15 by a qualified employer (as defined in section
16 3111(d)) unless such qualified employer makes an
17 election not to have section 3111(d) apply.

18 “(d) OTHER DEFINED TERMS.—For purposes of this
19 subpart—

20 “(1) MINORITY SERVING INSTITUTIONS.—The
21 term ‘minority serving institution’ means an institu-
22 tion which is—

23 “(A) an American Indian Tribally Con-
24 trolled College or University (within the mean-

1 ing of section 316(b)(3) of the Higher Edu-
2 cation Act),

3 “(B) an Alaska Native and Native Hawai-
4 ian-Serving Institution (within the meaning of
5 sections 317(1)(2) and (3) of the Higher Edu-
6 cation Act),

7 “(C) a Predominantly Black Institution
8 (within the meaning of section 318(b)(6) of the
9 Higher Education Act),

10 “(D) a Native American-Serving, Non-
11 tribal Institutions (within the meaning of sec-
12 tion 319(b)(2) of the Higher Education Act),

13 “(E) an Asian American and Native Amer-
14 ican Pacific Islander-Serving Institution (within
15 the meaning of section 320(b)(2) of the Higher
16 Education Act),

17 “(F) a Historically Black College and Uni-
18 versity (within the meaning of section 322(2) of
19 the Higher Education Act), or

20 “(G) a Hispanic-Serving Institution (with-
21 in the meaning of section 502(a)(5) of the
22 Higher Education Act).

23 “(2) STEM BUSINESSES.—The term ‘STEM
24 businesses’ has the same meaning as when used by

1 the Board of the National Science Foundation when
2 describing science and engineering indicators.

3 “(e) **APPLICABLE RULES.**—For purposes of this sec-
4 tion, rules similar to the following rules of section 51 (as
5 in effect before its repeal by the Tax Cuts and Jobs Act)
6 shall apply: subsections (f), (g), (i), (j), and (k).”.

7 (b) **CLERICAL AMENDMENT.**—The table of sections
8 for subpart F of part IV of subchapter A of chapter 1
9 is amended by inserting before the item relating to section
10 52 the following item:

“Sec. 51A. Credit to STEM Businesses For Hiring Graduates From Minority
Serving Institutions.”.

11 (c) **EFFECTIVE DATE.**—The amendments made by
12 this section shall apply to individuals who begin work for
13 the employer after December 31, 2017.

14 **SEC. 6002. CORPORATE RATE INCREASE TO ACHIEVE REV-**
15 **ENUE NEUTRALITY.**

16 (a) **IN GENERAL.**—The rate of tax specified in sec-
17 tion 11(b)(1) of the Internal Revenue Code of 1986 (after
18 the amendment made by section 3001(a) of this Act) shall
19 be increased by such number of percentage points as is
20 necessary to fully offset the aggregate reduction in Fed-
21 eral revenues which result from the amendments and re-
22 peals made by section 6001 of this Act.

1 (b) EFFECTIVE DATE.—Subsection (a) shall apply as
2 if such provision were an amendment made by section
3 3001(a) of this Act.

