AMENDMENT TO RULES COMMITTEE PRINT 115-39

OFFERED BY MS. ADAMS OF NORTH CAROLINA

Page 447, after line 3, insert the following:

TITLE VI—TAX CREDIT TO STEM BUSINESSES THAT HIRE GRADUATES FROM MINORITY SERVING INSTITUTIONS.

SEC. 6001. TAX CREDIT TO STEM BUSINESSES THAT HIRE GRADUATES FROM MINORITY SERVING INSTITUTIONS.

(a) IN GENERAL.—Subpart F of part IV of subchapter A of chapter 1 is amended by inserting before section 52 the following:

“SEC. 51A. CREDIT TO STEM BUSINESSES FOR HIRING GRADUATES FROM MINORITY SERVING INSTITUTIONS.

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

“(b) QUALIFIED WAGES DEFINED.—For purposes of this subpart—
“(1) IN GENERAL.—The term ‘qualified wages’ means the wages paid or incurred by the employer during the taxable year to individuals who are graduates of minority serving institutions.

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

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

“(c) WAGES DEFINED.—For purposes of this subpart—

“(1) IN GENERAL.—Except as otherwise provided in this section, the term ‘wages’ has the meaning given to such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section).

“(2) ON-THE-JOB TRAINING AND WORK SUPPLEMENTATION PAYMENTS.—
“(A) EXCLUSION FOR EMPLOYERS RECEIVING ON-THE-JOB TRAINING PAYMENTS.—The term ‘wages’ shall not include any amounts paid or incurred by an employer for any period to any individual for whom the employer receives federally funded payments for on-the-job training of such individual for such period.

“(B) REDUCTION FOR WORK SUPPLEMENTATION PAYMENTS TO EMPLOYERS.—The amount of wages which would (but for this subparagraph) be qualified wages under this section for an employer with respect to an individual for a taxable year shall be reduced by an amount equal to the amount of the payments made to such employer (however utilized by such employer) with respect to such individual for such taxable year under a program established under section 482(e) 1 of the Social Security Act.

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

“(A) the principal place of employment of an individual with the employer is at a plant or facility, and
“(B) there is a strike or lockout involving employees at such plant or facility, the term ‘wages’ shall not include any amount paid or incurred by the employer to such individual for services which are the same as, or substantially similar to, those services performed by employees participating in, or affected by, the strike or lockout during the period of such strike or lockout.

“(4) COORDINATION WITH PAYROLL TAX FORGIVENESS.—The term ‘wages’ shall not include any amount paid or incurred to a qualified individual (as defined in section 3111(d)(3)) during the 1-year period beginning on the hiring date of such individual by a qualified employer (as defined in section 3111(d)) unless such qualified employer makes an election not to have section 3111(d) apply.

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

“(1) MINORITY SERVING INSTITUTIONS.—The term ‘minority serving institution’ means an institution which is—

“(A) an American Indian Tribally Controlled College or University (within the mean-
ing of section 316(b)(3) of the Higher Education Act),

“(B) an Alaska Native and Native Hawaiian-Serving Institution (within the meaning of sections 317(1)(2) and (3) of the Higher Education Act),

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

“(D) a Native American-Serving, Non-tribal Institutions (within the meaning of section 319(b)(2) of the Higher Education Act),

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

“(F) a Historically Black College and University (within the meaning of section 322(2) of the Higher Education Act), or

“(G) a Hispanic-Serving Institution (within the meaning of section 502(a)(5) of the Higher Education Act).

“(2) STEM BUSINESSES.—The term ‘STEM businesses’ has the same meaning as when used by
the Board of the National Science Foundation when
describing science and engineering indicators.

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

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

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

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

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

(a) IN GENERAL.—The rate of tax specified in sec-
tion 11(b)(1) of the Internal Revenue Code of 1986 (after
the amendment made by section 3001(a) of this Act) shall
be increased by such number of percentage points as is
necessary to fully offset the aggregate reduction in Fed-
eral revenues which result from the amendments and re-
peals made by section 6001 of this Act.
(b) EFFECTIVE DATE.—Subsection (a) shall apply as if such provision were an amendment made by section 3001(a) of this Act.