At the end of the bill, add the following new title:

**TITLE VI—PAYROLL TAX EXEMPTION**

**SEC. 6001. SHORT TITLE.**

This title may be cited as the “Reducing Long-Term Unemployment Act”.

**SEC. 6002. PAYROLL TAX EXEMPTION FOR HIRING LONG-TERM UNEMPLOYED INDIVIDUALS.**

(a) Extension.—Paragraph (1) of section 3111(d) of the Internal Revenue Code of 1986 is amended by inserting “or on the day after the date of the enactment of the Reducing Long-Term Unemployment Act and ending on December 31, 2018,” after “December 31, 2010,.”

(b) Modification.—

(1) Unemployment Requirement.—Subparagraph (B) of section 3111(d)(3) of such Code is amended to read as follows:

“(B) certifies by signed affidavit (under penalties of perjury) that such individual, dur-
(i) was in receipt of unemployment compensation under State or Federal law, or

(ii) was unemployed and would have been so in receipt but for having exhausted the right to such unemployment compensation during such period,”.

(2) LIMITATION.—Subsection (d) of section 3111 of such Code is amended by adding at the end the following new paragraph:

“(6) LIMITATION.—The aggregate reduction in tax imposed under subsection (a) by reason of paragraph (1) with respect to each qualified individual in the employer’s employ shall not exceed $5,000.”.

(c) APPLICATION TO RAILROAD RETIREMENT TAXES.—

(1) EXTENSION.—Paragraph (1) of section 3221(c) of such Code is amended by inserting “or on the day after the date of the enactment of the Reducing Long-Term Unemployment Act and ending on December 31, 2018,” after “December 31, 2010,”.

(2) MODIFICATION.—
(A) UNEMPLOYMENT REQUIREMENT.—

Subparagraph (B) of section 3221(e)(3) of such Code is amended to read as follows:

“(B) certifies by signed affidavit (under penalties of perjury) that such individual, during the entire 27-week period ending on the hiring date—

“(i) was in receipt of unemployment compensation under State or Federal law, or

“(ii) was unemployed and would have been so in receipt but for having exhausted the right to such unemployment compensation during such period,”.

(3) LIMITATION.—Subsection (c) of section 3221 of such Code is amended by adding at the end of the following new paragraph:

“(6) LIMITATION.—The aggregate reduction in tax imposed under subsection (a) by reason of paragraph (1) with respect to each qualified individual in the employer’s employ shall not exceed $5,000.”.

(d) SPECIAL RULE FOR CERTAIN CALENDAR QUARTERS.—For purposes of section 3111(d) and 3221(e) of such Code, if the day after the date of the enactment of this Act is not the first day of a calendar quarter, then
rules similar to the rules of section 3111(d)(5) and
3221(c)(5) of such Code, respectively, shall apply with re-
spect to the last calendar quarter beginning before such
day.

(e) Effective Dates.—

(1) In general.—Except as provided in para-
graph (2), the amendments made by this subsection
shall apply to wages paid after the date of the enact-
ment of this Act.

(2) Railroad Retirement Taxes.—The
amendments made by subsection (c) shall apply to
compensation paid after the date of the enactment
of this Act.

SEC. 6003. Corporate Rate Increase To Achieve Rev-

uenue 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)) shall be in-
creased by such number of percentage points as is nec-
essary to fully offset the aggregate reduction in Federal
revenues which result from the amendment made by sec-
tion 6001.
(b) EFFECTIVE DATE.—Subsection (a) shall apply as if such provision were an amendment made by section 3001(a).