

**AMENDMENT TO RULES COMMITTEE
PRINT 119-3**

OFFERED BY MR. GOMEZ

Strike section 110106 and insert the following:

**SEC. 110106. ENHANCEMENT OF PAID FAMILY AND MEDICAL
LEAVE CREDIT.**

(a) IN GENERAL.—Section 45S is amended—

(1) in subsection (a), by adding at the end the following new paragraph:

“(3) MODIFIED CREDIT IN THE CASE OF SPECIFIED
ELIGIBLE EMPLOYERS.—

“(A) IN GENERAL.— In the case of a specified
eligible employer, paragraph (2) shall not apply, and the
applicable percentage shall be—

“(i) in the case of an eligible employer with 50 or
fewer employees, 75 percent of qualified wages, and

“(ii) in the case of an eligible employer with more
than 50 employees, 50 percent of qualified wages, but
only with respect to employers that provide 12 weeks of
paid leave for all qualifying leave reasons.

“(B) EXCEPTION.—No credit shall be payable with
respect to any specified eligible employer to the extent any
payments are paid by a state or local government.

“(C) REIMBURSEMENT FOR QUALIFIED STATE
PAID LEAVE PLANS.—

“(i) IN GENERAL.—In the case that payments
described in subparagraph (A) are made pursuant to

provisions of a qualified state paid leave plan under a program recognized by the Secretary, the Secretary shall reimburse such state in an amount equal to 50 percent of the qualified wages so paid to the employee.

“(ii) STATE PAID LEAVE PLAN.—For purposes of this subparagraph, the term ‘State paid leave plan’ means any provision of state law that provides a comprehensive paid leave program that covers all workers in the state, provided that such program meets the requirements otherwise established by this section, including providing a wage replacement rate that is at least equivalent to that required for employers under subparagraph (A).

“(iii) COMPREHENSIVE PAID LEAVE PROGRAM.—For purposes of this subparagraph, the term ‘comprehensive paid leave program’ means a program that provides for paid leave benefits for any reason described in subsection (e)(1).”, and

(2) in subsection (c), by striking paragraph (4) and inserting the following:

“(4) SPECIFIED ELIGIBLE EMPLOYER.—The term ‘specified eligible employer’ means an employer with a written policy applicable to all workers provides that—

“(A) employees are guaranteed reinstatement to their current job or an equivalent job after leave,

“(B) employees are provided continuation of any employer-sponsored group health insurance,

“(C) employees have the right to appeal adverse decisions internally, and if denied benefits internally, to escalate such appeal to the Secretary,

“(D) there is no fee or payment required for the employee to receive coverage of benefits during leave, and

“(E) the employer shall not penalize, discriminate against, or retaliate against employees who exercise their right to paid leave.”,

(3) by striking subsection (d)(2), and

(4) in subsection (f), by inserting “or a specified eligible employer” after “eligible employer”.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2025.