

**AMENDMENT TO RULES COMMITTEE PRINT 115-**

**39**

**OFFERED BY MS. ADAMS OF NORTH CAROLINA**

Add at the end the following:

1       **TITLE VI—VETERAN SMALL**  
2               **BUSINESS TAX CREDIT**

3   **SEC. 6001. VETERAN SMALL BUSINESS START-UP CREDIT.**

4       (a) IN GENERAL.—Subpart D of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 is amended by adding at the end the following new  
7 section:

8   **“SEC. 45S. VETERAN SMALL BUSINESS START-UP CREDIT.**

9       “(a) IN GENERAL.—For purposes of section 38, in  
10 the case of an applicable veteran-owned business which  
11 elects the application of this section, the veteran small  
12 business start-up credit determined under this section for  
13 any taxable year is an amount equal to 15 percent of so  
14 much of the qualified start-up expenditures of the tax-  
15 payer as does not exceed \$80,000.

16       “(b) APPLICABLE VETERAN-OWNED SMALL BUSI-  
17 NESS.—For purposes of this section—

1           “(1) IN GENERAL.—The term ‘applicable vet-  
2           eran-owned small business’ means a small business  
3           controlled by one or more qualified veterans.

4           “(2) QUALIFIED VETERAN.—The term ‘quali-  
5           fied veteran’ means any individual (or the spouse or  
6           surviving spouse of such an individual) who—

7                   “(A) has served on active duty in the  
8                   Armed Forces of the United States, and

9                   “(B) who has not been discharged or re-  
10                  leased from the Armed Forces of the United  
11                  States under dishonorable conditions.

12           “(3) CONTROL.—The term ‘controlled’ means—

13                   “(A) management and operation of the  
14                   daily business, and—

15                   “(B)(i) in the case of a sole proprietorship,  
16                   sole ownership,

17                   “(ii) in the case of a corporation, owner-  
18                   ship (by vote or value) of not less than 51 per-  
19                   cent of the stock in such corporation, or

20                   “(iii) in the case of a partnership or joint  
21                   venture, ownership of not less than 51 percent  
22                   of the profits interests or capital interests in  
23                   such partnership or joint venture.

24           “(4) SMALL BUSINESS.—The term ‘small busi-  
25           ness’ means, with respect to any taxable year, any

1 person engaged in a trade or business in the United  
2 States if—

3 “(A) the gross receipts of such person for  
4 the preceding taxable year did not exceed  
5 \$5,000,000, or

6 “(B) in the case of a person to which sub-  
7 paragraph (A) does not apply, such person em-  
8 ployed not more than 100 full-time employees  
9 during the preceding taxable year.

10 For purposes of subparagraph (B), an employee  
11 shall be considered full-time if such employee is em-  
12 ployed at least 30 hours per week for 20 or more  
13 calendar weeks in the taxable year.

14 “(c) QUALIFIED START-UP EXPENDITURES.—For  
15 purposes of this section—

16 “(1) IN GENERAL.—The term ‘qualified start-  
17 up expenditures’ means—

18 “(A) any start-up expenditures (as defined  
19 in section 195(c)), or

20 “(B) any amounts paid or incurred during  
21 the taxable year for the purchase or lease of  
22 real property, or the purchase of personal prop-  
23 erty, placed in service during the taxable year  
24 and used in the active conduct of a trade or  
25 business.

1       “(d) SPECIAL RULES.—For purposes of this sec-  
2 tion—

3           “(1) YEAR OF ELECTION.—The taxpayer may  
4 elect the application of this section only for the first  
5 2 taxable years for which ordinary and necessary ex-  
6 penses paid or incurred in carrying on such trade or  
7 business are allowable as a deduction by the tax-  
8 payer under section 162.

9           “(2) CONTROLLED GROUPS AND COMMON CON-  
10 TROL.—All persons treated as a single employer  
11 under subsections (a) and (b) of section 52 shall be  
12 treated as 1 person.

13           “(3) NO DOUBLE BENEFIT.—If a credit is de-  
14 termined under this section with respect to any  
15 property, the basis of such property shall be reduced  
16 by the amount of the credit attributable to such  
17 property.”.

18       (b) CLERICAL AMENDMENT.—The table of sections  
19 for subpart D of part IV of subchapter A of chapter 1  
20 of such Code is amended by adding at the end the fol-  
21 lowing new item:

“Sec. 45S. Veteran small business start-up credit.”.

22       (c) MADE PART OF GENERAL BUSINESS CREDIT.—  
23 Section 38(b) of such Code is amended by striking “plus”  
24 at the end of paragraph (35), by striking the period at

1 the end of paragraph (36) and inserting “, plus”, and by  
2 adding at the end the following new paragraph:

3 “(37) the veteran small business start-up credit  
4 determined under section 45S.”.

5 (d) **EFFECTIVE DATE.**—The amendments made by  
6 this section shall apply to taxable years beginning after  
7 December 31, 2018.

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

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

17 (b) **EFFECTIVE DATE.**—Subsection (a) shall apply as  
18 if such provision were an amendment made by section  
19 3001(a) of this Act.

