To amend the Internal Revenue Code of 1986 to provide a credit to employers who provide paid family and medical leave, and for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 3, 2015

Mrs. FISCHER (for herself and Mr. KING) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit to employers who provide paid family and medical leave, and for other purposes.

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Strong Families Act”.

SEC. 2. EMPLOYER CREDIT FOR PAID FAMILY AND MED-

ICAL LEAVE.

(a) IN GENERAL.—

(1) ALLOWANCE OF CREDIT.—Subpart D of part IV of subchapter A of chapter 1 of the Internal
Revenue Code of 1986 is amended by adding at the end the following new section:

“SEC. 45S. EMPLOYER CREDIT FOR PAID FAMILY AND MEDICAL LEAVE.

“(a) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the paid family and medical leave credit is an amount equal to 25 percent of the amount of wages paid to qualifying employees during any period in which such employees are on family and medical leave.

“(b) LIMITATIONS.—

“(1) IN GENERAL.—The credit allowed under subsection (a) with respect to any employee for any taxable year shall not exceed the lesser of—

“(A) $3,000, or

“(B) the product of the wages normally paid to such employee for each hour (or fraction thereof) of services performed for the employer and the number of hours (or fraction thereof) for which family and medical leave is taken.

For purposes of subparagraph (B), in the case of any employee who is not paid on an hourly basis, the wages of such employee shall be prorated to an hourly basis under regulations established by the
Secretary, in consultation with the Secretary of Labor.

“(2) Maximum Amount of Leave Subject to Credit.—The amount of family and medical leave that may be taken into account with respect to any employee under subsection (a) for any taxable year shall not exceed 12 weeks.

“(c) Eligible Employer.—For purposes of this section—

“(1) In General.—The term ‘eligible employer’ means any employer who has in place a policy that meets the following requirements:

“(A) The policy provides—

“(i) all qualifying full-time employees with not less than 2 weeks of annual paid family and medical leave, and

“(ii) all qualifying employees who are not full-time employees with an amount of annual paid family and medical leave that bears the same ratio to 2 weeks as—

“(I) the number of hours the employee is expected to work during any week, bears to

“(II) the number of hours an equivalent qualifying full-time em-
ployee is expected to work during the week.

“(B) The policy requires that the rate of payment under the program is not less than 100 percent of the wages normally paid to such employee for services performed for the employer.

“(2) SPECIAL RULE FOR CERTAIN EMPLOYERS.—

“(A) IN GENERAL.—An added employer shall not be treated as an eligible employer unless such employer provides paid family and medical leave under a policy with a provision that states that the employer—

“(i) will not interfere with, restrain, or deny the exercise of or the attempt to exercise, any right provided under the policy, and

“(ii) will not discharge or in any other manner discriminate against any individual for opposing any practice prohibited by the policy.

“(B) ADDED EMPLOYER; ADDED EMPLOYEE.—For purposes of this paragraph—
“(i) Added Employee.—The term ‘added employee’ means a qualifying em-
ployee who is not covered by title I of the Family and Medical Leave Act of 1993.

“(ii) Added Employer.—The term ‘added employer’ means an eligible em-
ployer (determined without regard to this paragraph), whether or not covered by that title I, who offers paid family and medical leave to added employees.

“(3) Treatment of State-Paid Benefits.—For purposes of paragraph (1), any leave which is paid by a State or local government shall not be taken into account in determining the amount of paid family and medical leave provided by the em-
ployer.

“(4) No Inference.—Nothing in this sub-
section shall be construed as subjecting an employer to any penalty, liability, or other consequence (other than ineligibility for the credit allowed by reason of subsection (a)) for failure to comply with the re-
quirements of this subsection.

“(d) Qualifying Employees.—For purposes of this section, the term ‘qualifying employee’ means any em-
ployee (as defined in section 3(e) of the Fair Labor Stand-
(c) Family and Medical Leave.—For purposes of this section, the term ‘family and medical leave’ means leave for any purpose described under subparagraph (A), (B), (C), (D), or (E) of paragraph (1), or paragraph (3), of section 102(a) of the Family and Medical Leave Act of 1993, whether the leave is provided under that Act or by a policy of the employer. Such term shall not include any leave provided as paid vacation leave, personal leave, or medical or sick leave (within the meaning of those terms under section 102(d)(2) of that Act).

(f) Wages.—For purposes of this section, the term ‘wages’ has the meaning given such term by subsection (b) of section 3306 (determined without regard to any dollar limitation contained in such section). Such term shall not include any amount taken into account for purposes of determining any other credit allowed under this subpart.

(g) Election To Have Credit Not Apply.—

(1) In general.—A taxpayer may elect to have this section not apply for any taxable year.

(2) Other rules.—Rules similar to the rules of paragraphs (2) and (3) of section 51(j) shall apply for purposes of this subsection.
“(h) TERMINATION.—This section shall not apply to wages paid after December 31, 2017.”.

(b) CREDIT PART OF GENERAL BUSINESS CREDIT.— Section 38(b) of the Internal Revenue Code of 1986 is amended by striking “plus” at the end of paragraph (35), by striking the period at the end of paragraph (36) and inserting “, plus”, and by adding at the end the following new paragraph:

“(37) in the case of an eligible employer (as defined in section 45S(c)), the paid family and medical leave credit determined under section 45S(a).”.

(c) CREDIT ALLOWED AGAINST AMT.—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended by redesignating clauses (vii) through (ix) as clauses (vii) through (x), respectively, and by inserting after clause (vi) the following new clause:

“(vii) the credit determined under section 45S,”.

(d) CONFORMING AMENDMENTS.—

(1) DENIAL OF DOUBLE BENEFIT.—Section 280C(a) of the Internal Revenue Code of 1986 is amended by inserting “45S(a),” after “45P(a),”.

(2) ELECTION TO HAVE CREDIT NOT APPLY.— Section 6501(m) of such Code is amended by inserting “45S(g),” after “45H(g),”.
(3) **Clerical Amendment.**—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

“Sec. 45S. Employer credit for paid family and medical leave.”.

(e) **Effective Date.**—The amendments made by this section shall apply to wages paid in taxable years beginning after December 31, 2015.

**SEC. 3. GAO Study of Impact of Tax Credit to Promote Access to Paid Family and Medical Leave.**

(a) **Study.**—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Secretary of the Treasury and the Secretary of Labor, shall—

(1) complete a study that—

(A) examines the effectiveness of the tax credit for paid family and medical leave authorized under section 45S of the Internal Revenue Code of 1986 (as added by this Act) in terms of—

(i) increasing access to paid family and medical leave among qualifying employees;
(ii) promoting the creation of new paid family and medical leave policies among eligible employers;

(iii) increasing the generosity of existing paid family and medical leave policies among eligible employers; and

(iv) incenting employee or employer behavior that might not otherwise have occurred in the absence of the credit;

(B) provides recommendations for ways to modify or enhance the tax credit to further promote access to paid family and medical leave for qualifying employees;

(C) provides suggestions of alternative policies that Federal and State governments could implement to increase access to paid family and medical leave, particularly among qualifying employees; and

(2) prepare and submit a report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives setting forth the conclusions of the study conducted under paragraph (1) in such a manner that the recommendations included in the report can inform future legislative action. Such report shall also be
made publicly available via the website of the Government Accountability Office.

(b) PROHIBITION.—In carrying out the requirements of this section, the Comptroller General of the United States may request qualitative and quantitative information from employers and employees claiming the credit under section 45S of the Internal Revenue Code of 1986, but nothing in this section shall be construed as mandating additional reporting requirements for such employers or employees beyond what is already required by law.

SEC. 4. REDUCTION OF THE NUMBER OF NONESSENTIAL VEHICLES PURCHASED AND LEASED BY THE FEDERAL GOVERNMENT.

(a) REVIEW OF NONESSENTIAL VEHICLE PURCHASE.—The Director of the Office of Management and Budget, in consultation with the head of the relevant Executive agency, shall complete each of the following:

(1) Determine the total dollar amount obligated by each Executive agency to purchase civilian vehicles in fiscal year 2010.

(2) Determine the total dollar amount obligated by each Executive agency to lease civilian vehicles in fiscal year 2010.
(3) Determine the total number of civilian vehicles purchased by each Executive agency in fiscal year 2010.

(4) Determine the total number of civilian vehicles leased by each Executive agency in fiscal year 2010.

(5) Determine the total dollar amount that would be 10 percent less than the dollar amount determined under paragraphs (1) and (2) for each Executive agency.

(b) Reduction of Nonsenssential Vehicle Purchase.—For each of fiscal years 2016 through 2020, each Executive agency may not obligate more than the dollar amount determined under subsection (a)(5) for the Executive agency to purchase or lease civilian vehicles.

(e) Sharing.—The Administrator of General Services shall ensure that an Executive agency may share excess or unused vehicles with another Executive agency that may need temporary or long-term use of additional vehicles through the Federal Fleet Management System.

(d) National Security Exception.—The limits on the purchase and procurement of vehicles under this section shall not apply to the purchase or procurement of any vehicle that has been determined by the President to be essential for reasons of national security.
(c) **DEFINITIONS.**—In this section:

(1) **CIVILIAN VEHICLE.**—The term “civilian vehicle” means a vehicle that is not used for purposes of military combat, the training or deployment of members of the Armed Forces, or such other uses as determined by the Director of the Office of Management and Budget, in consultation with the Administrator of General Services.

(2) **EXECUTIVE AGENCY.**—The term “Executive agency” has the meaning given that term under section 105 of title 5, United States Code.

SEC. 5. UNITED STATES ENRICHMENT CORPORATION FUND.

(a) **RESCISSION.**—Subject to subsection (b), all unobligated amounts in the United States Enrichment Corporation Fund are permanently rescinded.

(b) **EXCLUSIONS FROM RESCISSION.**—The rescission under subsection (a) shall not apply to amounts that were designated by Congress as an emergency requirement pursuant to section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(b)(2)(A)(i)).