

114TH CONGRESS
1ST SESSION

S. 2354

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,*

3 **SECTION 1. SHORT TITLE.**

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

5 **SEC. 2. EMPLOYER CREDIT FOR PAID FAMILY AND MED-**
6 **ICAL LEAVE.**

7 (a) IN GENERAL.—

8 (1) ALLOWANCE OF CREDIT.—Subpart D of
9 part IV of subchapter A of chapter 1 of the Internal

1 Revenue Code of 1986 is amended by adding at the
2 end the following new section:

3 **“SEC. 45S. EMPLOYER CREDIT FOR PAID FAMILY AND MED-**
4 **ICAL LEAVE.**

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

11 “(b) LIMITATIONS.—

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

15 “(A) \$3,000, or

16 “(B) the product of the wages normally
17 paid to such employee for each hour (or frac-
18 tion thereof) of services performed for the em-
19 ployer and the number of hours (or fraction
20 thereof) for which family and medical leave is
21 taken.

22 For purposes of subparagraph (B), in the case of
23 any employee who is not paid on an hourly basis, the
24 wages of such employee shall be prorated to an
25 hourly basis under regulations established by the

1 Secretary, in consultation with the Secretary of
2 Labor.

3 “(2) MAXIMUM AMOUNT OF LEAVE SUBJECT TO
4 CREDIT.—The amount of family and medical leave
5 that may be taken into account with respect to any
6 employee under subsection (a) for any taxable year
7 shall not exceed 12 weeks.

8 “(c) ELIGIBLE EMPLOYER.—For purposes of this
9 section—

10 “(1) IN GENERAL.—The term ‘eligible em-
11 ployer’ means any employer who has in place a pol-
12 icy that meets the following requirements:

13 “(A) The policy provides—

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

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

21 “(I) the number of hours the em-
22 ployee is expected to work during any
23 week, bears to

24 “(II) the number of hours an
25 equivalent qualifying full-time em-

1 ployee is expected to work during the
2 week.

3 “(B) The policy requires that the rate of
4 payment under the program is not less than
5 100 percent of the wages normally paid to such
6 employee for services performed for the em-
7 ployer.

8 “(2) SPECIAL RULE FOR CERTAIN EMPLOY-
9 ERS.—

10 “(A) IN GENERAL.—An added employer
11 shall not be treated as an eligible employer un-
12 less such employer provides paid family and
13 medical leave under a policy with a provision
14 that states that the employer—

15 “(i) will not interfere with, restrain,
16 or deny the exercise of or the attempt to
17 exercise, any right provided under the pol-
18 icy, and

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

23 “(B) ADDED EMPLOYER; ADDED EM-
24 PLOYEE.—For purposes of this paragraph—

1 “(i) ADDED EMPLOYEE.—The term
2 ‘added employee’ means a qualifying em-
3 ployee who is not covered by title I of the
4 Family and Medical Leave Act of 1993.

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

11 “(3) TREATMENT OF STATE-PAID BENEFITS.—
12 For purposes of paragraph (1), any leave which is
13 paid by a State or local government shall not be
14 taken into account in determining the amount of
15 paid family and medical leave provided by the em-
16 ployer.

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

23 “(d) QUALIFYING EMPLOYEES.—For purposes of
24 this section, the term ‘qualifying employee’ means any em-
25 ployee (as defined in section 3(e) of the Fair Labor Stand-

1 ards Act of 1938) who has been employed by the employer
 2 for 1 year or more.

3 “(e) FAMILY AND MEDICAL LEAVE.—For purposes
 4 of this section, the term ‘family and medical leave’ means
 5 leave for any purpose described under subparagraph (A),
 6 (B), (C), (D), or (E) of paragraph (1), or paragraph (3),
 7 of section 102(a) of the Family and Medical Leave Act
 8 of 1993, whether the leave is provided under that Act or
 9 by a policy of the employer. Such term shall not include
 10 any leave provided as paid vacation leave, personal leave,
 11 or medical or sick leave (within the meaning of those 3
 12 terms under section 102(d)(2) of that Act).

13 “(f) WAGES.—For purposes of this section, the term
 14 ‘wages’ has the meaning given such term by subsection
 15 (b) of section 3306 (determined without regard to any dol-
 16 lar limitation contained in such section). Such term shall
 17 not include any amount taken into account for purposes
 18 of determining any other credit allowed under this sub-
 19 part.

20 “(g) ELECTION TO HAVE CREDIT NOT APPLY.—

21 “(1) IN GENERAL.—A taxpayer may elect to
 22 have this section not apply for any taxable year.

23 “(2) OTHER RULES.—Rules similar to the rules
 24 of paragraphs (2) and (3) of section 51(j) shall
 25 apply for purposes of this subsection.

1 “(h) TERMINATION.—This section shall not apply to
2 wages paid after December 31, 2017.”.

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

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

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

17 “(vii) the credit determined under sec-
18 tion 45S,”.

19 (d) CONFORMING AMENDMENTS.—

20 (1) DENIAL OF DOUBLE BENEFIT.—Section
21 280C(a) of the Internal Revenue Code of 1986 is
22 amended by inserting “45S(a),” after “45P(a),”.

23 (2) ELECTION TO HAVE CREDIT NOT APPLY.—
24 Section 6501(m) of such Code is amended by insert-
25 ing “45S(g),” after “45H(g),”.

1 (3) CLERICAL AMENDMENT.—The table of sec-
 2 tions for subpart D of part IV of subchapter A of
 3 chapter 1 of such Code is amended by adding at the
 4 end the following new item:

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

5 (e) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to wages paid in taxable years be-
 7 ginning after December 31, 2015.

8 **SEC. 3. GAO STUDY OF IMPACT OF TAX CREDIT TO PRO-**
 9 **MOTE ACCESS TO PAID FAMILY AND MED-**
 10 **ICAL LEAVE.**

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

15 (1) complete a study that—

16 (A) examines the effectiveness of the tax
 17 credit for paid family and medical leave author-
 18 ized under section 45S of the Internal Revenue
 19 Code of 1986 (as added by this Act) in terms
 20 of—

21 (i) increasing access to paid family
 22 and medical leave among qualifying em-
 23 ployees;

1 (ii) promoting the creation of new
2 paid family and medical leave policies
3 among eligible employers;

4 (iii) increasing the generosity of exist-
5 ing paid family and medical leave policies
6 among eligible employers; and

7 (iv) incenting employee or employer
8 behavior that might not otherwise have oc-
9 curred in the absence of the credit;

10 (B) provides recommendations for ways to
11 modify or enhance the tax credit to further pro-
12 mote access to paid family and medical leave
13 for qualifying employees;

14 (C) provides suggestions of alternative
15 policies that Federal and State governments
16 could implement to increase access to paid fam-
17 ily and medical leave, particularly among quali-
18 fying employees; and

19 (2) prepare and submit a report to the Com-
20 mittee on Finance of the Senate and the Committee
21 on Ways and Means of the House of Representatives
22 setting forth the conclusions of the study conducted
23 under paragraph (1) in such a manner that the rec-
24 ommendations included in the report can inform fu-
25 ture legislative action. Such report shall also be

1 made publicly available via the website of the Gov-
2 ernment Accountability Office.

3 (b) PROHIBITION.—In carrying out the requirements
4 of this section, the Comptroller General of the United
5 States may request qualitative and quantitative informa-
6 tion from employers and employees claiming the credit
7 under section 45S of the Internal Revenue Code of 1986,
8 but nothing in this section shall be construed as man-
9 dating additional reporting requirements for such employ-
10 ers or employees beyond what is already required by law.

11 **SEC. 4. REDUCTION OF THE NUMBER OF NONESSENTIAL**
12 **VEHICLES PURCHASED AND LEASED BY THE**
13 **FEDERAL GOVERNMENT.**

14 (a) REVIEW OF NONESSENTIAL VEHICLE PUR-
15 CHASE.—The Director of the Office of Management and
16 Budget, in consultation with the head of the relevant Ex-
17 ecutive agency, shall complete each of the following:

18 (1) Determine the total dollar amount obligated
19 by each Executive agency to purchase civilian vehi-
20 cles in fiscal year 2010.

21 (2) Determine the total dollar amount obligated
22 by each Executive agency to lease civilian vehicles in
23 fiscal year 2010.

1 (3) Determine the total number of civilian vehi-
2 cles purchased by each Executive agency in fiscal
3 year 2010.

4 (4) Determine the total number of civilian vehi-
5 cles leased by each Executive agency in fiscal year
6 2010.

7 (5) Determine the total dollar amount that
8 would be 10 percent less than the dollar amount de-
9 termined under paragraphs (1) and (2) for each Ex-
10 ecutive agency.

11 (b) REDUCTION OF NONESSENTIAL VEHICLE PUR-
12 CHASE.—For each of fiscal years 2016 through 2020,
13 each Executive agency may not obligate more than the dol-
14 lar amount determined under subsection (a)(5) for the Ex-
15 ecutive agency to purchase or lease civilian vehicles.

16 (c) SHARING.—The Administrator of General Serv-
17 ices shall ensure that an Executive agency may share ex-
18 cess or unused vehicles with another Executive agency
19 that may need temporary or long-term use of additional
20 vehicles through the Federal Fleet Management System.

21 (d) NATIONAL SECURITY EXCEPTION.—The limits
22 on the purchase and procurement of vehicles under this
23 section shall not apply to the purchase or procurement of
24 any vehicle that has been determined by the President to
25 be essential for reasons of national security.

1 (e) DEFINITIONS.—In this section:

2 (1) CIVILIAN VEHICLE.—The term “civilian ve-
3 hicle” means a vehicle that is not used for purposes
4 of military combat, the training or deployment of
5 members of the Armed Forces, or such other uses as
6 determined by the Director of the Office of Manage-
7 ment and Budget, in consultation with the Adminis-
8 trator of General Services.

9 (2) EXECUTIVE AGENCY.—The term “Executive
10 agency” has the meaning given that term under sec-
11 tion 105 of title 5, United States Code.

12 **SEC. 5. UNITED STATES ENRICHMENT CORPORATION**
13 **FUND.**

14 (a) RESCISSION.—Subject to subsection (b), all unob-
15 ligated amounts in the United States Enrichment Cor-
16 poration Fund are permanently rescinded.

17 (b) EXCLUSIONS FROM RESCISSION.—The rescission
18 under subsection (a) shall not apply to amounts that were
19 designated by Congress as an emergency requirement pur-
20 suant to section 251(b)(2)(A)(i) of the Balanced Budget
21 and Emergency Deficit Control Act of 1985 (2 U.S.C.
22 901(b)(2)(A)(i)).

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