

110TH CONGRESS  
1ST SESSION

# S. 1945

To provide a Federal income tax credit for Patriot employers, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

AUGUST 2, 2007

Mr. DURBIN (for himself, Mr. OBAMA, and Mr. BROWN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To provide a Federal income tax credit for Patriot employers, 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 “Patriot Employers  
5 Act”.

6 **SEC. 2. REDUCED TAXES FOR PATRIOT EMPLOYERS.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-  
8 chapter A of chapter 1 of the Internal Revenue Code of  
9 1986 is amended by adding at the end the following new  
10 section:

1 **“SEC. 450. REDUCTION IN TAX OF PATRIOT EMPLOYERS.**

2       “(a) IN GENERAL.—In the case of any taxable year  
3 with respect to which a taxpayer is certified by the Sec-  
4 retary as a Patriot employer, the Patriot employer credit  
5 determined under this section for purposes of section 38  
6 shall be equal to 1 percent of the taxable income of the  
7 taxpayer which is properly allocable to all trades or busi-  
8 nesses with respect to which the taxpayer is certified as  
9 a Patriot employer for the taxable year.

10       “(b) PATRIOT EMPLOYER.—For purposes of sub-  
11 section (a), the term ‘Patriot employer’ means, with re-  
12 spect to any taxable year, any taxpayer which—

13               “(1) maintains its headquarters in the United  
14 States if the taxpayer has ever been headquartered  
15 in the United States,

16               “(2) pays at least 60 percent of each employee’s  
17 health care premiums,

18               “(3) has in effect, and operates in accordance  
19 with, a policy requiring neutrality in employee orga-  
20 nizing drives,

21               “(4) if such taxpayer employs at least 50 em-  
22 ployees on average during the taxable year—

23                       “(A) maintains or increases the number of  
24 full-time workers in the United States relative  
25 to the number of full-time workers outside of  
26 the United States,

1           “(B) compensates each employee of the  
2 taxpayer at an hourly rate (or equivalent there-  
3 of) not less than an amount equal to the Fed-  
4 eral poverty level for a family of three for the  
5 calendar year in which the taxable year begins  
6 divided by 2,080,

7           “(C) provides either—

8           “(i) a defined contribution plan which  
9 for any plan year—

10           “(I) requires the employer to  
11 make nonelective contributions of at  
12 least 5 percent of compensation for  
13 each employee who is not a highly  
14 compensated employee, or

15           “(II) requires the employer to  
16 make matching contributions of 100  
17 percent of the elective contributions of  
18 each employee who is not a highly  
19 compensated employee to the extent  
20 such contributions do not exceed the  
21 percentage specified by the plan (not  
22 less than 5 percent) of the employee’s  
23 compensation, or

24           “(ii) a defined benefit plan which for  
25 any plan year requires the employer to

1           make contributions on behalf of each em-  
2           ployee who is not a highly compensated  
3           employee in an amount which will provide  
4           an accrued benefit under the plan for the  
5           plan year which is not less than 5 percent  
6           of the employee's compensation, and

7           “(D) provides full differential salary and  
8           insurance benefits for all National Guard and  
9           Reserve employees who are called for active  
10          duty, and

11          “(5) if such taxpayer employs less than 50 em-  
12          ployees on average during the taxable year, either—

13               “(A) compensates each employee of the  
14               taxpayer at an hourly rate (or equivalent there-  
15               of) not less than an amount equal to the Fed-  
16               eral poverty level for a family of 3 for the cal-  
17               endar year in which the taxable year begins di-  
18               vided by 2,080, or

19               “(B) provides either—

20                       “(i) a defined contribution plan which  
21                       for any plan year—

22                               “(I) requires the employer to  
23                               make nonelective contributions of at  
24                               least 5 percent of compensation for

1 each employee who is not a highly  
2 compensated employee, or

3 “(II) requires the employer to  
4 make matching contributions of 100  
5 percent of the elective contributions of  
6 each employee who is not a highly  
7 compensated employee to the extent  
8 such contributions do not exceed the  
9 percentage specified by the plan (not  
10 less than 5 percent) of the employee’s  
11 compensation, or

12 “(ii) a defined benefit plan which for  
13 any plan year requires the employer to  
14 make contributions on behalf of each em-  
15 ployee who is not a highly compensated  
16 employee in an amount which will provide  
17 an accrued benefit under the plan for the  
18 plan year which is not less than 5 percent  
19 of the employee’s compensation.”.

20 (b) ALLOWANCE AS GENERAL BUSINESS CREDIT.—  
21 Section 38(b) of the Internal Revenue Code of 1986 is  
22 amended by striking “plus” at the end of paragraph (30),  
23 by striking the period at the end of paragraph (31) and  
24 inserting “, plus”, and by adding at the end the following:

1           “(32) the Patriot employer credit determined  
2           under section 45O.”.

3           (c) EFFECTIVE DATE.—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2007.

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