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118TH CONGRESS
1ST SESSION

H. R. 4520

To amend the Internal Revenue Code of 1986 to establish a credit for hired critical employees and to make permanent certain expiring provisions relating to the child tax credit.

IN THE HOUSE OF REPRESENTATIVES

JULY 10, 2023

Mr. JAMES (for himself, Mrs. CHAVEZ-DEREMER, and Mr. CISCOMANI) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to establish a credit for hired critical employees and to make permanent certain expiring provisions relating to the child tax credit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Reignite Hope Act of 2023''.

SEC. 2. CREDIT FOR HIRED CRITICAL EMPLOYEES.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of

1986 is amended by inserting after section 25E the following new section:

"SEC. 25F. CREDIT FOR HIRED CRITICAL EMPLOYEES.

"(a) ALLOWANCE OF CREDIT.—In the case of a critical employee, there shall be allowed $3,500 as a credit against the tax imposed by this chapter.

"(b) CRITICAL EMPLOYEE.—For purposes of this section:

"(1) IN GENERAL.—The term 'critical employee' means any of the following individuals whose employer certifies that such individual worked full-time for not less than 75 percent of the taxable year in such professional capacity and that such individual's primary place of employment for the majority of hours worked during such taxable year is located in a qualified opportunity zone:

"(A) A healthcare professional.

"(B) A law enforcement officer (as such term is defined in section 806 of title I of the Omnibus Crime Control and Safe Streets Act of 1968).

"(C) A member of a rescue squad or ambulance crew (as such term is defined in section 806 of title I of the Omnibus Crime Control and Safe Streets Act of 1968).

"(D) A firefighter (as such term is defined in section 806 of title I of the Omnibus Crime Control and Safe Streets Act of 1968).

"(E) an eligible child care provider or family child care provider (as such terms are defined in section 658P of the Child Care and Development Block Grant Act of 1990).

"(F) personal or home care aide (as such term is defined in section 2008 of the Social Security Act).

"(2) HEALTHCARE PROFESSIONAL.—The term 'healthcare professional' means—

"(A) a certified nursing assistant, or

"(B) a licensed practical nurse or registered professional nurse.

"(3) The term 'qualified opportunity zone' means a census tract designated as a qualified opportunity zone under section 1400z–1(b)(1) as of the date of the enactment of this section.

"(c) SUNSET.—No credit shall be allowed under subsection (a) for any taxable year beginning after the date that is 3 years after the date of the enactment of this section.".

(b) CLERICAL AMENDMENT.—The table of section for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 25E the following new item:

"Sec. 25F. Credit for hired critical employees.".

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this section.

SEC. 3. PERMANENT EXTENSION AND MODIFICATION OF SPECIAL RULES FOR CHILD TAX CREDIT.

(a) IN GENERAL.—Section 24 of the Internal Revenue Code of 1986 is amended by striking subsections (a), (b), and (c) and inserting the following new subsections:

"(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the sum of—

"(1) $3,500 for each qualifying child of the taxpayer ($4,500 in the case of a qualifying child who has not attained age 6 as of the close of the calendar year in which the taxable year of the taxpayer begins), and

"(2) in the case of any taxable year beginning before January 1, 2026, $500 for each qualifying dependent (other than a qualifying child) of the taxpayer.

"(b) LIMITATION BASED ON ADJUSTED GROSS INCOME.—The amount of the credit allowable under subsection (a) shall be reduced (but not below zero) by $50 for each $1,000 (or fraction thereof) by which the taxpayer's modified adjusted gross income exceeds $400,000 in the case of a joint return ($200,000 in any other case). For purposes of the preceding sentence, the term ''modified adjusted gross income'' means adjusted gross income increased by any amount excluded from gross income under section 911, 931, or 933.

''(c) QUALIFYING CHILD; QUALIFYING DEPENDENT.—For purposes of this section—

''(1) QUALIFYING CHILD.—The term 'qualifying child' means any qualifying dependent of the taxpayer—

''(A) who is a qualifying child (as defined in section 152(c)) of the taxpayer,

''(B) who has not attained age 18 at the close of the calendar year in which the taxable year of the taxpayer begins, and

''(C) whose name and social security number are included on the taxpayer's return of tax for the taxable year.

''(2) QUALIFYING DEPENDENT.—The term 'qualifying dependent' means any dependent of the taxpayer (as defined in section 152 without regard to all that follows 'resident of the United States' in section 152(b)(3)(A)) whose name and TIN are included on the taxpayer's return of tax for the taxable year.

"(3) SOCIAL SECURITY NUMBER DEFINED.—For purposes of this subsection, the term 'social security number' means, with respect to a return of tax, a social security number issued to an individual by the Social Security Administration, but only if the social security number is issued—

"(A) to a citizen of the United States or pursuant to subclause (I) (or that portion of subclause (III) that relates to subclause (I)) of section 205(c)(2)(B)(i) of the Social Security Act, and

"(B) on or before the due date of filing such return.".

(b) PORTION OF CREDIT REFUNDABLE.—Section 24(d)(1) of the Internal Revenue Code of 1986 is amended—

(1) by striking subparagraph (A) and inserting the following:

"(A) the credit which would be allowed under this section determined—

"(i) without regard to subsection (a)(2), and "(ii) without regard to this subsection (other than this subparagraph) and the limitation under section 26(a), or", and

(2) in subparagraph (B), by striking "15 percent of so much of the taxpayer's earned income (within the meaning of section 32) which is taken into account in computing taxable income for the taxable year as exceeds $3,000" and inserting "15.3 percent of the taxpayer's earned income (within the meaning of section 32) which is taken into account in computing taxable income".

(c) CONFORMING AMENDMENTS.—

(1) Section 24(e) of the Internal Revenue Code of 1986 is amended to read as follows:

"(e) TAXPAYER IDENTIFICATION REQUIREMENT.—No credit shall be allowed under this section if the identifying number of the taxpayer was issued after the due date for filing the return of tax for the taxable year.".

(2) Section 24 of such Code is amended by striking subsection (h).

(d) REPEAL OF CERTAIN LATER ENACTED PROVISIONS.—

(1) Section 24 of the Internal Revenue Code of 1986 is amended by striking subsections (i), (j), and (k).

(2) Chapter 77 of such Code is amended by striking section 7527A (and by striking the item relating to section 7527A in the table of sections for such chapter).

(3) Section 26(b)(2) of such Code is amended by inserting ‘‘and’’ at the end of subparagraph (X), by striking ‘‘, and’’ at the end of subparagraph (Y) and inserting a period, and by striking subparagraph (Z).

(4) Section 3402(f)(1)(C) of such Code is amended by striking ‘‘section 24 (determined after application of subsection (j) thereof)’’ and inserting ‘‘section 24(a)’’.

(5) Section 6211(b)(4)(A) of such Code is amended—

(A) by striking ‘‘24 by reason of subsections (d) and (i)(1) thereof’’ and inserting ‘‘24(d)’’, and

(B) by striking ‘‘6428B, and 7527A’’ and inserting ‘‘and 6428B’’.

(6) Section 1324(b)(2) of title 31, United States Code, is amended by striking ‘‘6431, or 7527A’’ and inserting ‘‘or 6431’’.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2022.

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