



We Decide
The Voice for **Women** In Business
In Our Nation's Capital

HIRE Act: H.R. 2847

Payroll Tax Credit for Hiring Unemployed Workers

A business is eligible for a payroll tax credit if the business hired a previously unemployed individual. In order to be eligible for the tax credit, the business and the newly hired employee must meet certain requirements. The requirements of the business and employee, and tax credit are listed in detail below:

- Employer/employee requirements
 - Qualified employer
 - Any employer other than the U.S., State, or political subdivision
 - Qualified individual
 - Begins employment with the qualified employer **AFTER** February 3, 2010, and **BEFORE** January 1, 2011
 - Certifies by signed affidavit that the newly hired individual has **NOT** worked for more than 40 hours for 60 days before he begins employment
 - Newly hired individual was **NOT** hired by the qualified employer to replace another employee
 - **EXCEPTION:** previous employee quit or was fired for cause
- Payroll Tax Credit (referred to as the Work Opportunity Credit)
 - Wage calculation will **NOT** include any payments made to the newly hired individual for **ONE YEAR**, beginning on the hiring date
 - Employer can elect to **NOT** have the credit apply

Business Tax Credit for Retention of Newly Hired Individuals in 2010

A business is eligible for another tax credit if they continue to employ the individual hired after February 3, 2010, and before January 2, 2011 (i.e. the qualified individual). The requirements for the employee and the calculation of the tax credit are listed below:

- Retained individuals
 - Employee is employed during taxable year

- Employee is employed for at least 52 weeks or more
- Wages paid to the employee for the last 26 weeks is equal to 80% of wages paid for the first 26 weeks during the taxable year
- Tax credit calculation
 - Current business year credit **INCREASED** by the amount equal to calculation (listed below)
 - credit = 1000 multiplied by the number of retained workers
 - This specific unused tax credit does **NOT** carryover to the next taxable year

Expensing of Certain Depreciable Business Assets

The changes to this are listed below:

- Expensing certain depreciable assets
 - Amendments to § 179 (b)
 - increase from \$125,000 to \$250,000; \$500,000 to \$800,000
 - changes taxable year from after 2006 to after 2007
 - Changes effective January 1, 2010

Click [here](#) to read the full text of the Act.