



**DESCRIPTION OF CHAIRMAN'S AMENDMENT TO H.R. 4626,  
THE "ENCOURAGING WORK  
AND SUPPORTING MARRIAGE ACT OF 2002"**

**Scheduled for a Markup by the House Committee on Ways and Means on May 2, 2002**

**Description of the Combined Tax Credit in H.R. 4626**

Targeted groups eligible for the combined work opportunity tax credit and welfare to work tax credit

The Encouraging Work and Supporting Marriage Act of 2002 would combine the work opportunity tax credit and the welfare to work tax credit. The combined credit would be available on an elective basis for employers hiring individuals from one or more of nine targeted groups. The nine targeted groups would be: (1) certain families eligible to receive benefits under the Temporary Assistance for Needy Families Program; (2) high-risk youth; (3) qualified ex-felons; (4) vocational rehabilitation referrals; (5) qualified summer youth employees; (6) qualified veterans; (7) families receiving food stamps; (8) persons receiving certain Supplemental Security Income (SSI) benefits; and (9) qualified long-term family assistance recipients.

Vocational rehabilitation referral targeted group

The combined credit would retain the present-law definitions for purposes of the vocational rehabilitation referral targeted group. Vocational rehabilitation referrals would be those individuals who have a physical or mental disability that constitutes a substantial handicap to employment and who have been referred to the employer while receiving, or after completing, vocational rehabilitation services under an individualized, written rehabilitation plan under a State plan approved under the Rehabilitation Act of 1973 or under a rehabilitation plan for veterans carried out under Chapter 31 of Title 38, U.S. Code. Certification would be provided by the designated local employment agency upon assurances from the vocation rehabilitation agency that the employee has met the above conditions.

### **Description of Proposal**

The Chairman's amendment<sup>1</sup> would add an additional type of individual eligible for the credit under the category of vocational rehabilitation referrals. Under the amendment, certain individuals who have a physical or mental disability that constitutes a substantial handicap to employment and who are receiving vocational services or have completed an individual work plan developed by a private employment network as defined under section 1148(f) of the Social Security Act would qualify as members of the vocational rehabilitation referral targeted group.

### **Effective Date**

The proposal would be effective for wages paid or incurred with respect to qualified individuals who begin work for an employer after December 31, 2002.

---

<sup>1</sup> The Chairman's amendment also includes a technical drafting change to the acceleration of the basic standard deduction marriage penalty relief provision of H.R. 4626.