

118TH CONGRESS  
1ST SESSION

# H. R. 2527

To amend the Internal Revenue Code of 1986 to provide an employer credit for increasing wages.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 6, 2023

Mr. RUIZ introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an employer credit for increasing wages.

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 “Rewarding American  
5 Investments to Support Employees Act of 2023” or as the  
6 “RAISE Act of 2023”.

7 **SEC. 2. EMPLOYER WAGE CREDIT.**

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

1 **“SEC. 45AA. EMPLOYER WAGE CREDIT.**

2 “(a) IN GENERAL.—For purposes of section 38, the  
3 employer wage credit determined under this section with  
4 respect to any employer for any taxable year is an amount  
5 equal to 10 percent of the excess (if any) of—

6 “(1) the aggregate amount of wages paid or in-  
7 curred to specified employees during the calendar  
8 year which ends with or within such taxable year,  
9 over

10 “(2) the aggregate amount of wages paid or in-  
11 curred to specified employees during the calendar  
12 year immediately preceding the calendar year de-  
13 scribed in paragraph (1).

14 “(b) LIMITATIONS.—

15 “(1) IN GENERAL.—The amount of the credit  
16 determined under subsection (a) with respect to any  
17 employer for any taxable year shall not exceed  
18 \$500,000.

19 “(2) LIMITATION ON INCREASE WHICH MAY BE  
20 TAKEN INTO ACCOUNT WITH RESPECT TO EACH EM-  
21 PLOYEE.—The amount of wages taken into account  
22 under subsection (a)(1) with respect to any employee  
23 shall not exceed the sum of \$25,000 plus the  
24 amount of wages taken into account under sub-  
25 section (a)(2) with respect to such employee.

1       “(c) SPECIFIED EMPLOYEES.—For purposes of this  
2 section, the term ‘specified employee’ means any employee  
3 who—

4               “(1) was employed continuously in one or more  
5 trades or businesses of the employer during both cal-  
6 endar years described in subsection (a), and

7               “(2) earned wages not in excess of \$75,000  
8 during the calendar year described in subsection  
9 (a)(2).

10       “(d) OTHER DEFINITIONS AND SPECIAL RULES.—  
11 For purposes of this section—

12               “(1) WAGES.—The term ‘wages’ has the mean-  
13 ing given such term by section 3306(b) (determined  
14 without regard to any dollar limitation contained in  
15 such section). Such term shall not include any  
16 amount taken into account in determining any other  
17 credit allowed under this subpart.

18               “(2) PREDECESSOR AND SUCCESSOR.—Any ref-  
19 erence in this paragraph to an employer shall in-  
20 clude a reference to any predecessor of, or successor  
21 to, such employer.

22               “(3) AGGREGATION RULE.—All persons treated  
23 as a single employer under subsection (b), (c), (m),  
24 or (o) of section 414 shall be treated as one em-  
25 ployer.

1 “(4) INFLATION ADJUSTMENT.—

2 “(A) IN GENERAL.—In the case of a tax-  
3 able year beginning after 2024, the \$500,000  
4 and \$75,000 amounts in subsections (b) and (c)  
5 shall each be increased by an amount equal—

6 “(i) such dollar amount, multiplied by

7 “(ii) the cost-of-living adjustment de-  
8 termined under subparagraph (B) for the  
9 calendar year in which the taxable year be-  
10 gins.

11 “(B) COST-OF-LIVING ADJUSTMENT.—For  
12 purposes of this paragraph, the cost-of-living  
13 adjustment for any calendar year is the per-  
14 centage (if any) by which—

15 “(i) the CPI for the preceding cal-  
16 endar year, exceeds

17 “(ii) the CPI for calendar year 2023.

18 “(C) CPI FOR ANY CALENDAR YEAR.—For  
19 purposes of this paragraph, the CPI for any  
20 calendar year shall be determined as provided  
21 in section 1(f)(4).

22 “(D) ROUNDING.—If any amount as ad-  
23 justed under subparagraph (A) is not a multiple  
24 of \$1,000, such amount shall be rounded to the  
25 next lowest multiple of \$1,000.

1           “(5) ELECTION TO HAVE CREDIT NOT APPLY.—

2           A taxpayer may elect to have this section not apply  
3           for any taxable year. Rules similar to the rules of  
4           paragraphs (2) and (3) of section 51(j) shall apply  
5           for purposes of this paragraph.”.

6           (b) CREDIT TO BE PART OF GENERAL BUSINESS  
7           CREDIT.—Section 38(b) of such Code is amended by strik-  
8           ing “plus” at the end of paragraph (37), by striking the  
9           period at the end of paragraph (38) and inserting “, plus”,  
10          and by inserting after paragraph (38) the following new  
11          paragraph:

12                  “(39) the employer wage credit determined  
13                  under section 45AA.”.

14          (c) DENIAL OF DOUBLE BENEFIT WITH DEDUC-  
15          TIONS.—Section 280C(a) of such Code is amended by in-  
16          serting “45AA(a),” after “45S(a),”.

17          (d) CLERICAL AMENDMENT.—The table of sections  
18          for subpart D of part IV of subchapter A of chapter 1  
19          of such Code is amended by adding at the end the fol-  
20          lowing the item:

                “Sec. 45AA. Employer wage credit.”.

21          (e) EFFECTIVE DATE.—The amendments made by  
22          this section shall apply to taxable years beginning after  
23          December 31, 2023.

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