

H.R. 801 – RESERVE COMPONENT EMPLOYER INCENTIVE, COMPENSATION, AND RELIEF ACT OF 2019

POSITION: The Chamber’s Defense, Veterans & Military Affairs Committee voted to SUPPORT the bill on July 1, 2020. The Chamber’s Public Policy Committee voted to SUPPORT the bill on July 14, 2020. The Chamber’s Board of Directors voted to SUPPORT the bill on July 23, 2020.

RATIONALE: Supporting the Reserve and National Guard communities remains a Chamber priority.

STATUS: The bill was introduced by Rep. Tim Ryan [OH-13] on January 1, 2019 and referred to the House Committee on Ways & Means.

SUMMARY

The Reserve Component Employer Incentive, Compensation, and Relief Act of 2019 amends the IRS code to create a new tax credit for employers of National Guard and Reserve members. The tax credit would be \$1,000 per employed National Guard or Reservist per year. Additional tax credits ranging from \$3000-\$10000 would be available dependent on time the National Guard or Reservist serves (ranging from 30 days to over 180 days).

INDUSTRY/IES IMPACTED

The impact of this bill will not be limited by industry. The credit would be available to any employer who employees a member of the National Guard or a Reservist.

SUPPORTERS

- American Veterans (AMVETS)
- Fleet Reserve Association
- Marine Corps Reserve Association
- Naval Enlisted Reserve Association
- Reserve Organization of America (ROA)
- National Guard Association of the U.S.
- Enlisted Association of the National Guard of the U.S.

OPPONENTS

- None known

ARGUMENTS IN FAVOR

- Employers of National Guard and Reservists face unique challenges, as their employees can be called up to service with little notice to support national emergencies, such as our current pandemic.
- This bill encourages and incentivizes hiring and retaining employment of members of the National Guard and Reservists.

ARGUMENTS IN OPPOSITION

- While the intent is laudable, there are many populations that deserve and need help. This bill does not demonstrate fairness with all populations.
- The Congressional Budget Office (CBO) estimate for providing this expanded tax credit is unknown.