

119TH CONGRESS
1ST SESSION

H. R. 1753

To provide tax incentives that support local media.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 27, 2025

Ms. TENNEY (for herself and Ms. DELBENE) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To provide tax incentives that support local media.

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 “Community News and
5 Small Business Support Act”.

6 **SEC. 2. CREDIT FOR ADVERTISING IN LOCAL MEDIA.**

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

1 **“SEC. 45BB. ADVERTISING IN LOCAL MEDIA.**

2 “(a) IN GENERAL.—For purposes of section 38, in
3 the case of any eligible small business, the local media ad-
4 vertising credit determined under this section for any tax-
5 able year is an amount equal to the applicable percentage
6 of the qualified local media advertising expenses paid or
7 incurred by the taxpayer during such taxable year.

8 “(b) LIMITATION.—The credit allowed under sub-
9 section (a) to any taxpayer for any taxable year shall not
10 exceed—

11 “(1) in the case of the first taxable year to
12 which this section applies, \$5,000, and

13 “(2) in the case of any subsequent taxable year,
14 \$2,500.

15 “(c) APPLICABLE PERCENTAGE.—For purposes of
16 this section, the term ‘applicable percentage’ means—

17 “(1) in the case of the first taxable year to
18 which this section applies, 80 percent, and

19 “(2) in the case of any subsequent taxable year,
20 50 percent.

21 “(d) ELIGIBLE SMALL BUSINESS.—For purposes of
22 this section, the term ‘eligible small business’ means any
23 person for any taxable year if the average number of full-
24 time employees (as determined for purposes of deter-
25 mining whether an employer is an applicable large em-
26 ployer for purposes of section 4980H(c)(2) of the Internal

1 Revenue Code of 1986) employed by such person during
2 such taxable year was less than 50.

3 “(e) QUALIFIED LOCAL MEDIA ADVERTISING EX-
4 PENSES.—For purposes of this section, the term ‘qualified
5 local media advertising expenses’ means amounts paid or
6 incurred in the ordinary course of a trade or business
7 for—

8 “(1) advertising in a local newspaper, or

9 “(2) advertising on any broadcast radio or tele-
10 vision station licensed by the Federal Communica-
11 tions Commission to serve a local community.

12 For purposes of this subsection, the term ‘advertising’ in-
13 cludes sponsorships.

14 “(f) LOCAL NEWSPAPER.—For purposes of this sec-
15 tion—

16 “(1) IN GENERAL.—The term ‘local newspaper’
17 means any print or digital publication if—

18 “(A) the primary content of such publica-
19 tion is original content derived from primary
20 sources and relating to news and current
21 events,

22 “(B) such publication primarily serves the
23 needs of a regional or local community,

24 “(C) the publisher of such publication—

1 “(i) employs at least one full-time
2 local news journalist who resides in such
3 regional or local community,

4 “(ii) employs not greater than 750
5 employees, and

6 “(iii) is not—

7 “(I) an organization described in
8 paragraph (4), (5), or (6) of section
9 501(c),

10 “(II) a political organization (as
11 defined in section 527(e)),

12 “(III) any organization controlled
13 by one or more organizations de-
14 scribed in subclauses (I) or (II), or

15 “(IV) any organization that re-
16 ceived more than \$100,000 (in the ag-
17 gregate) from organizations described
18 in subclauses (I), (II), or (III) during
19 the taxable year or any preceding tax-
20 able year.

21 “(2) LOCAL NEWS JOURNALIST.—For purposes
22 of paragraph (1)(C)(i), the term ‘local news jour-
23 nalist’ means any individual who regularly gathers,
24 prepares, produces, collects, edits, photographs,
25 records, directs the recording of, writes, presents, or

1 reports news or information that concerns local
2 events or other matters of local public interest.

3 “(3) AGGREGATION RULE.—

4 “(A) IN GENERAL.—For purposes of
5 clauses (ii) and (iii) of paragraph (1)(C), all
6 persons treated as a single employer under sub-
7 section (a) or (b) of section 52, or subsection
8 (m) or (o) of section 414, shall be treated as
9 one person.

10 “(B) EXCEPTION.—Subparagraph (A)
11 shall not apply unless such persons are involved
12 in the production of the same print or digital
13 publication.

14 “(4) CONTINUOUS QUALIFICATION.—The re-
15 quirements of paragraph (1)(C) shall not be treated
16 as met unless such requirements are met at all times
17 during the period beginning on the date which is 1
18 year before the date of the enactment of this section
19 and ending on the date that the subscription de-
20 scribed in subsection (a) is paid or incurred.

21 “(g) SPECIAL RULES.—

22 “(1) DENIAL OF DOUBLE BENEFIT.—No deduc-
23 tion shall be allowed for any qualified local media
24 advertising expenses otherwise allowable as a deduc-
25 tion for the taxable year which is equal to the

1 amount of the credit determined for such taxable
 2 year under subsection (a).

3 “(2) AGGREGATION RULE.—All persons treated
 4 as a single employer under subsection (a) or (b) of
 5 section 52 of the Internal Revenue Code of 1986, or
 6 subsection (m) or (o) of section 414 of such Code,
 7 shall be treated as one person for purposes of apply-
 8 ing subsection (b).

9 “(h) TERMINATION.—No credit shall be allowed
 10 under this section for any amount paid or incurred in a
 11 taxable year ending after the close of 5-year period begin-
 12 ning on the date of the enactment of this section.”.

13 (b) CREDIT ALLOWED AS PART OF GENERAL BUSI-
 14 NESS CREDIT.—Section 38(b) of such Code is amended
 15 by striking “plus” at the end of paragraph (40), by strik-
 16 ing the period at the end of paragraph (41) and inserting
 17 “, plus”, and by adding at the end the following new para-
 18 graph:

19 “(42) in the case of an eligible small business,
 20 the local media advertising credit determined under
 21 section 45BB(a).”.

22 (c) CLERICAL AMENDMENT.—The table of sections
 23 for subpart D of part IV of subchapter A of chapter 1
 24 of such Code is amended by adding at the end the fol-
 25 lowing new item:

“Sec. 45BB. Advertising in local media.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts paid or incurred in tax-
3 able years beginning after the date of the enactment of
4 this Act.

5 **SEC. 3. PAYROLL CREDIT FOR COMPENSATION OF LOCAL**
6 **NEWS JOURNALIST.**

7 (a) IN GENERAL.—Subchapter D of chapter 21 of the
8 Internal Revenue Code of 1986 is amended by adding at
9 the end the following new section:

10 **“SEC. 3135. LOCAL NEWS JOURNALIST COMPENSATION**
11 **CREDIT.**

12 “(a) IN GENERAL.—In the case of an eligible local
13 news journalist employer, there shall be allowed as a credit
14 against applicable employment taxes for each calendar
15 quarter an amount equal to the applicable percentage of
16 the wages paid by such employer to local news journalists
17 for such calendar quarter.

18 “(b) LIMITATIONS AND REFUNDABILITY.—

19 “(1) LIMITATION ON NUMBER OF LOCAL NEWS
20 JOURNALISTS TAKEN INTO ACCOUNT.—The number
21 of employees of any eligible local news journalist em-
22 ployer which are taken into account as local news
23 journalists under subsection (a) for any calendar
24 quarter shall not exceed 1,500.

1 “(2) LIMITATION ON WAGES TAKEN INTO AC-
 2 COUNT.—The amount of wages paid with respect to
 3 any individual which may be taken into account
 4 under subsection (a) during any calendar quarter by
 5 the eligible local news journalist employer shall not
 6 exceed \$12,500.

7 “(3) CREDIT LIMITED TO EMPLOYMENT
 8 TAXES.—The credit allowed by subsection (a) with
 9 respect to any calendar quarter shall not exceed the
 10 applicable employment taxes (reduced by any credits
 11 allowed under sections 3131, 3132, and 3134) on
 12 the wages paid with respect to the employment of all
 13 the employees of the eligible local news journalist
 14 employer for such calendar quarter.

15 “(4) REFUNDABILITY OF EXCESS CREDIT.—If
 16 the amount of the credit under subsection (a) ex-
 17 ceeds the limitation of paragraph (3) for any cal-
 18 endar quarter, such excess shall be treated as an
 19 overpayment that shall be refunded under sections
 20 6402(a) and 6413(b).

21 “(c) DEFINITIONS.—For purposes of this section—

22 “(1) APPLICABLE PERCENTAGE.—The term
 23 ‘applicable percentage’ means—

1 “(A) in the case of each of the first 4 cal-
 2 endar quarters to which this section applies, 50
 3 percent; and

4 “(B) in the case of each calendar quarter
 5 thereafter, 30 percent.

6 “(2) ELIGIBLE LOCAL NEWS JOURNALIST EM-
 7 PLOYER.—The term ‘eligible local news journalist
 8 employer’ means, with respect to any calendar quar-
 9 ter, any employer if substantially all of the gross re-
 10 ceipts of such employer for such calendar quarter
 11 are derived in the trade or business of publishing
 12 local newspapers (as defined in section 45BB(f)).

13 “(3) LOCAL NEWS JOURNALIST.—The term
 14 ‘local news journalist’ means, with respect to any eli-
 15 gible local news journalist employer for any calendar
 16 quarter, any individual who provides at least 200
 17 hours of service as a local news journalist (as de-
 18 fined in section 45BB(f)(2)) during such calendar
 19 quarter to such eligible local news journalist em-
 20 ployer.

21 “(4) APPLICABLE EMPLOYMENT TAXES.—The
 22 term ‘applicable employment taxes’ means the fol-
 23 lowing:

24 “(A) The taxes imposed under section
 25 3111(b).

1 “(B) So much of the taxes imposed under
2 section 3221(a) as are attributable to the rate
3 in effect under section 3111(b).

4 “(d) AGGREGATION RULE.—

5 “(1) IN GENERAL.—All persons treated as a
6 single employer under subsection (a) or (b) of sec-
7 tion 52 of the Internal Revenue Code of 1986, or
8 subsection (m) or (o) of section 414 of such Code,
9 shall be treated as one employer for purposes of this
10 section.

11 “(2) EXCEPTION.—Paragraph (1) shall not
12 apply unless such persons are involved in the pro-
13 duction of the same print or digital publication.

14 “(e) CERTAIN RULES TO APPLY.—For purposes of
15 this section—

16 “(1) IN GENERAL.—Rules similar to the rules
17 of sections 51(i)(1) and 280C(a) of the Internal
18 Revenue Code of 1986 shall apply.

19 “(2) EXCEPTION TO RELATED PARTY RULES.—
20 In the case of an eligible local news journalist em-
21 ployer which employs fewer than 15 local news jour-
22 nalists during the calendar quarter, paragraph (1)
23 shall be applied without regard to the reference to
24 section 51(i)(1).

1 “(f) CERTAIN GOVERNMENTAL EMPLOYERS.—This
2 credit shall not apply to the Government of the United
3 States, the government of any State or political subdivi-
4 sion thereof, or any agency or instrumentality of any of
5 the foregoing.

6 “(g) ELECTION TO HAVE SECTION NOT APPLY.—
7 This section shall not apply with respect to any eligible
8 local news journalist employer for any calendar quarter
9 if such person elects (at such time and in such manner
10 as the Secretary may prescribe) not to have this section
11 apply.

12 “(h) SPECIAL RULES.—

13 “(1) EMPLOYEE NOT TAKEN INTO ACCOUNT
14 MORE THAN ONCE.—An employee shall not be in-
15 cluded for purposes of this section for any period
16 with respect to any employer if such employer is al-
17 lowed a credit under section 51 of the Internal Rev-
18 enue Code of 1986 with respect to such employee for
19 such period.

20 “(2) DENIAL OF DOUBLE BENEFIT.—Any
21 wages taken into account in determining the credit
22 allowed under this section shall not be taken into ac-
23 count for purposes of determining the credit allowed
24 under section 41, 45A, 45P, 45S, or 1396.

1 “(3) THIRD-PARTY PAYORS.—Any credit al-
2 lowed under this section shall be treated as a credit
3 described in section 3511(d)(2).

4 “(4) TREATMENT OF DEPOSITS.—The Sec-
5 retary shall waive any penalty under section 6656 of
6 the Internal Revenue Code of 1986 for any failure
7 to make a deposit of any applicable employment
8 taxes if the Secretary determines that such failure
9 was due to the reasonable anticipation of the credit
10 allowed under this section.

11 “(5) EXTENSION OF LIMITATION ON ASSESS-
12 MENT.—Notwithstanding section 6501, the limita-
13 tion on the time period for the assessment of any
14 amount attributable to a credit claimed under this
15 section shall not expire before the date that is 5
16 years after the later of—

17 “(A) the date on which the original return
18 which includes the calendar quarter with re-
19 spect to which such credit is determined is filed,
20 or

21 “(B) the date on which such return is
22 treated as filed under section 6501(b)(2).

23 “(i) REGULATIONS AND GUIDANCE.—The Secretary
24 shall issue such forms, instructions, regulations, and guid-
25 ance as are necessary—

1 “(1) with respect to the application of the cred-
2 it under subsection (a) to third-party payors (includ-
3 ing professional employer organizations, certified
4 professional employer organizations, or agents under
5 section 3504 of the Internal Revenue Code of 1986),
6 including regulations or guidance allowing such
7 payors to submit documentation necessary to sub-
8 stantiate the eligible employer status of employers
9 that use such payors, and

10 “(2) to prevent the avoidance of the purposes of
11 the limitations under this section, including through
12 the leaseback of employees.

13 Any forms, instructions, regulations, or other guidance de-
14 scribed in paragraph (2) shall require the customer to be
15 responsible for the accounting of the credit and for any
16 liability for improperly claimed credits and shall require
17 the certified professional employer organization or other
18 third party payor to accurately report such tax credits
19 based on the information provided by the customer.

20 “(j) APPLICATION.—This section shall not apply to
21 any calendar quarter beginning more than 5 years after
22 the date of the enactment of this section.”.

23 (b) CONFORMING AMENDMENTS.—

1 (1) Section 1324(b)(2) of title 31, United
2 States Code, is amended by inserting “3135,” after
3 “3134,”.

4 (2) The table of sections for subchapter D of
5 chapter 21 of the Internal Revenue Code of 1986 is
6 amended by adding at the end the following:

“Sec. 3135. Local news journalist compensation credit.”.

7 (c) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to calendar quarters beginning
9 after the date of the enactment of this Act.

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