

119TH CONGRESS
1ST SESSION

H. R. 6231

To amend the Internal Revenue Code of 1986 to improve and enhance the work opportunity tax credit, to encourage longer-service employment, and to modernize the credit to make it more effective as a hiring incentive for targeted workers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 20, 2025

Mr. SMUCKER (for himself, Mr. HORSFORD, Mr. KELLY of Pennsylvania, Mr. BEYER, Mr. KUSTOFF, Mr. MOORE of Utah, Mr. MILLER of Ohio, and Ms. DELBENE) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to improve and enhance the work opportunity tax credit, to encourage longer-service employment, and to modernize the credit to make it more effective as a hiring incentive for targeted workers, and for other purposes.

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 “Improve and Enhance
5 the Work Opportunity Tax Credit Act”.

1 **SEC. 2. IMPROVING AND ENHANCING WORK OPPORTUNITY**

2 **TAX CREDIT.**

3 (a) EXTENSION.—Section 51(c)(4) of the Internal
4 Revenue Code of 1986 is amended by striking “December
5 31, 2025” and inserting “December 31, 2030”.

6 (b) ENHANCEMENT OF CREDIT.—

7 (1) IN GENERAL.—Section 51(a) of the Internal
8 Revenue Code of 1986 is amended by striking “shall
9 be equal to 40 percent” and all that follows and in-
10 serting the following: “shall be equal to the sum
11 of—

12 “(1) 50 percent of so much of the qualified
13 first-year wages with respect to each individual for
14 such year as does not exceed \$6,000, plus

15 “(2) in the case of individuals who have per-
16 formed at least 400 hours of service for the em-
17 ployer, 50 percent of so much of the qualified first-
18 year wages with respect to each such individual for
19 such year as exceeds \$6,000, and does not exceed
20 twice such dollar amount.”.

21 (2) INFLATION ADJUSTMENT.—Section 51 of
22 such Code is amended by adding at the end the fol-
23 lowing new subsection:

24 “(l) COST-OF-LIVING ADJUSTMENT.—

25 “(1) IN GENERAL.—In the case of any taxable
26 year beginning after 2025, the \$6,000 amount in

1 paragraphs (1) and (2) of subsection (a) and the
2 \$10,000 amount in subparagraphs (A) and (B) of
3 subsection (e)(1) shall be increased by an amount
4 equal to—

5 “(A) such dollar amount, multiplied by

6 “(B) the cost-of-living adjustment deter-
7 mined under section 1(f)(3) for the calendar
8 year in which the taxable year begins, deter-
9 mined by substituting ‘calendar year 2024’ for
10 ‘calendar year 2016’ in subparagraph (A)(ii)
11 thereof.

12 “(2) ROUNDING.—Any increase determined
13 under paragraph (1) shall be rounded to the nearest
14 multiple of \$100.”.

15 (3) CONFORMING AMENDMENTS.—

16 (A) LIMITATION ON WAGES TAKEN INTO
17 ACCOUNT FOR CERTAIN VETERANS.—Section
18 51(b)(3) of such Code is amended to read as
19 follows:

20 “(3) INCREASED LIMITATION ON WAGES TAKEN
21 INTO ACCOUNT FOR CERTAIN VETERANS.—

22 “(A) IN GENERAL.—In the case of a quali-
23 fied veteran described in subparagraph (B),
24 subsection (a) shall be applied by substituting

1 ‘the applicable amount’ for ‘\$6,000’ each place
2 it appears.

3 “(B) APPLICABLE AMOUNT.—For purposes
4 of this paragraph, the applicable amount is—

5 “(i) in the case of any individual who
6 is a qualified veteran by reason of sub-
7 section (d)(3)(A)(ii)(I), 200 percent of the
8 dollar amount in effect for the taxable year
9 under subsection (a)(1),

10 “(ii) in the case of any individual who
11 is a qualified veteran by reason of sub-
12 section (d)(3)(A)(iv), 250 percent of the
13 dollar amount in effect for the taxable year
14 under subsection (a)(1), and

15 “(iii) in the case of any individual who
16 is a qualified veteran by reason of sub-
17 section (d)(3)(A)(ii)(II), 400 percent of the
18 dollar amount in effect for the taxable year
19 under subsection (a)(1).”.

20 (B) SUMMER YOUTH EMPLOYEES.—Sec-
21 tion 51(d)(7)(B) of such Code is amended—

22 (i) by striking clause (ii),

23 (ii) by striking “, and” at the end of
24 clause (i) and inserting a period,

1 (iii) by redesignating clause (i) (as so
2 amended) as clause (v), and

3 (iv) by inserting before such clause (v)
4 (as so redesignated) the following new
5 clauses:

6 “(i) in lieu of the amount determined
7 under subsection (a), the amount of the
8 work opportunity credit determined under
9 this section for the taxable year shall be
10 equal to 40 percent of the qualified first-
11 year wages for such year,

12 “(ii) in the case of an individual de-
13 scribed in subsection (i)(3)(A), clause (i)
14 shall be applied by substituting ‘25 per-
15 cent’ for ‘40 percent’,

16 “(iii) in the case of an individual de-
17 scribed in subsection (i)(3)(B), no wages
18 shall be taken into account under clause
19 (i),

20 “(iv) the amount of qualified first-
21 year wages which may be taken into ac-
22 count with respect to such individual shall
23 not exceed 50 percent of the dollar amount
24 in effect for the taxable year under sub-
25 section (a)(1), and”.

1 (C) LONG-TERM FAMILY ASSISTANCE RE-
2 CIPIENTS.—

3 (i) IN GENERAL.—Section 51(e)(1) of
4 such Code is amended by striking “family
5 assistance recipient—” and all that follows
6 and inserting the following: “family assist-
7 ance recipient, in lieu of subsection (a), the
8 amount of the work opportunity credit de-
9 termined under this section for the taxable
10 year shall be equal to—

11 “(A) 40 percent of so much of the quali-
12 fied first-year wages with respect to such indi-
13 vidual for such year as does not exceed
14 \$10,000, and

15 “(B) 50 percent of so much of the quali-
16 fied second-year wages with respect to such in-
17 dividual for such year as does not exceed
18 \$10,000.”.

19 (ii) CLERICAL AMENDMENT.—The
20 heading for section 51(e) of such Code is
21 amended by striking “CREDIT FOR SEC-
22 OND-YEAR WAGES” and inserting “SPE-
23 CIAL RULES FOR DETERMINING CREDIT”.

24 (D) AGRICULTURAL AND RAILWAY
25 LABOR.—

(i) IN GENERAL.—Section 51(h)(1) of such Code is amended—

(I) by striking “\$6,000” in subparagraph (A) and inserting “the dollar amount in effect for the taxable year under subsection (a)(1)”, and

(II) by striking “\$500 per month” in subparagraph (B) and inserting “ $\frac{1}{12}$ of the dollar amount in effect under subsection (a)(1) per month”.

(ii) RELATED CONFORMING AMENDMENTS.—Section 51(e)(3) of such Code is amended by striking subparagraphs (A) and (B) and inserting the following:

“(A) such subparagraph (A) shall be applied by substituting ‘the dollar amount in effect under subsection (e)(1)’ for ‘the dollar amount in effect under subsection (a)(1)’, and

“(B) such subparagraph (B) shall be applied by substituting one ‘ $\frac{1}{12}$ of the dollar amount in effect under subsection (e)(1)’ for ‘ $\frac{1}{12}$ of the dollar amount in effect under subsection (a)(1)’.”.

1 (E) INDIVIDUALS NOT MEETING MINIMUM
2 EMPLOYMENT PERIODS.—

3 (i) Subparagraphs (A) and (B) of sec-
4 tion 51(i)(3) of such Code are each amend-
5 ed by striking “subsection (a)” and insert-
6 ing “subsection (a)(1)”.

7 (ii) Section 51(i)(3)(A) of such Code
8 is amended by striking “40 percent” and
9 inserting “50 percent”.

10 (c) EFFECTIVE DATE.—The amendments made by
11 this section shall apply to individuals who begin work for
12 the employer after December 31, 2025.

13 **SEC. 3. REMOVAL OF AGE LIMIT FOR QUALIFIED SUPPLE-**
14 **MENTAL NUTRITION ASSISTANCE PROGRAM**
15 **BENEFITS RECIPIENT.**

16 (a) IN GENERAL.—Section 51(d)(8)(A)(i) of the In-
17 ternal Revenue Code of 1986 is amended by striking “but
18 not age 40”.

19 (b) EFFECTIVE DATE.—The amendment made by
20 this section shall apply to individuals who begin work for
21 the employer after December 31, 2025.

22 **SEC. 4. ELIGIBILITY OF SPOUSES OF MILITARY PERSONNEL**
23 **FOR THE WORK OPPORTUNITY CREDIT.**

24 (a) IN GENERAL.—Section 51(d)(1) of the Internal
25 Revenue Code of 1986 is amended by striking “or” at the

1 end of subparagraph (I), by striking the period at the end
 2 of subparagraph (J) and inserting “, or”, and by adding
 3 at the end the following new subparagraph:

4 “(K) a qualified military spouse.”.

5 (b) QUALIFIED MILITARY SPOUSE.—Subsection (d)
 6 of section 51 of such Code is amended by adding at the
 7 end the following new paragraph:

8 “(16) QUALIFIED MILITARY SPOUSE.—The
 9 term ‘qualified military spouse’ means any individual
 10 who is certified by the designated local agency as
 11 being (as of the hiring date) a spouse of a member
 12 of the Armed Forces of the United States.”.

13 (c) EFFECTIVE DATE.—The amendments made by
 14 this section shall apply to amounts paid or incurred after
 15 the date of the enactment of this Act to individuals who
 16 begin work for the employer after such date.

17 **SEC. 5. PROMOTION OF TARGETED GROUP MEMBER HIR-**
 18 **ING TO CERTAIN INDUSTRIES.**

19 The Secretary of the Treasury, the Secretary of Com-
 20 merce, the Secretary of Labor, and the Administrator of
 21 the Small Business Administration (or their respective del-
 22 egates), in consultation with each other and consistent
 23 with applicable law, shall promote the hiring of members
 24 of a targeted group (as defined in section 51(d) of the
 25 Internal Revenue Code of 1986) to business leaders across

- 1 critical industry sectors, including manufacturing, infra-
- 2 structure, energy, health care, and construction.

