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An Answer to Unemployment: A Jobs-for-All Bill | Commentary

Act would boost employment now for the many who need it, eliminate residual joblessness even in times of prosperity

- By Rep. John Conyers Jr. and Philip L. Harvey
- May 17, 2013, 1:40 p.m.

It has been five years since the financial crisis struck, and progress in putting the unemployed back to work still lags, with no end in sight.

With almost 12 million Americans unemployed and millions more underemployed, we have waited long enough for government action. Listen to the stories of the unemployed, and you will realize that we are facing a national tragedy that we would never tolerate if it were caused by a natural disaster. The unemployed deserve swift action to address the devastation of unemployment.

During the calamity of the Great Depression, President Franklin D. Roosevelt understood the responsibility government bore to its citizens in a time of need. He recognized that it was unconscionable to allow millions of hardworking Americans to suffer while they waited for the economy to recover. Rather than stand idle in the face of such suffering, he created millions of temporary jobs for the jobless. They built roads and schools and parks; they filled schools with teachers and staffed public health projects. They preserved historic sites and brought music, drama and art to public spaces. They turned a national tragedy into a national revival.

Now is the time for us to implement similar job programs. It is time to put America back to work while we wait for the economy to complete its recovery — repairing America's infrastructure and improving our communities in the process. We can pay for the jobs we need as we go along with a small tax on the financial sector whose excesses led us into this recession.

To do this, we support [HR 1000](#), the Humphrey-Hawkins Full Employment and Training Act. By advocating for this legislation, we intend to push Congress to take seriously the federal government's responsibility to put Americans back to work, and we intend to show that it can be done without raising deficits. This 21st-century New Deal strategy, pioneered in programs like the Works Progress Administration and Civilian Conservation Corps, would create 3.1 million to 6.2 million full-time, market-wage jobs with health insurance benefits in the first two years of

program operations, plus 1 million to 2 million private sector jobs from increased spending in the economy.

Over the longer run, this act is designed to eliminate the residual joblessness that burdens poor and disadvantaged workers, even in periods of general prosperity. Job vacancy data shows that our economy still suffers from a serious job shortage even when unemployment falls under 5 percent. Despite what many economists say, it is not full employment if there are not enough jobs available for everyone who wants to work. The Humphrey-Hawkins strategy would allow us to close this job gap without triggering the inflationary tendencies that constrain other job-creation strategies at such times.

This initiative would create several times as many jobs per stimulus dollar as alternative stimulus options, such as deficit spending and tax cuts. The jobs would also be created much faster and with a targeted focus where work is most needed. It also would provide American businesses with what they really need — paying customers with steady work. For those who want to see government assistance reduced or not given at all, making sure jobs are available for those who need them is the only solution.

We can put all Americas back to work under this legislation, with alternatives to austerity measures. [HR 1000](#) is deficit-neutral. By imposing a modest financial transaction tax (FTT) on purchases and sales of securities, we would raise revenues projected to total between \$110 billion and \$220 billion annually. These funds would go into a dedicated trust fund to pay for job creation and job training. Similar transaction taxes are in place throughout the world, and just last year nearly a dozen more European countries adopted some type of FTT.

A thousand economists recently wrote G-20 finance ministers advocating for the adoption of similar FTTs, exhibiting the growing consensus supporting these taxes. The federal government must act to put Americans back to work, and if the resistance is concerned over increasing debt, instituting a FTT is the solution. It is time to recognize that the levies are so small and wealth in the markets so concentrated that it is only fair to ask Wall Street to pay its fair share to help put America back to work.

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Quick Facts & Key Points Concerning H.R. 1000 **The Jobs for Act Act (AKA The Humphrey-Hawkins 21st Century** **Full Employment and Training Act)**

Philip Harvey and Logan Martinez
August 2015

Purpose of the Legislation

The purpose of H.R. 1000, the “Jobs for All Act,” is to make sure there are enough jobs available for everyone who wants to work and thereby create a full employment society. It will do this by creating temporary jobs in the public and not-for-profit sectors of the economy to compensate for any job shortages that exist in the economy as a whole—just as New Deal programs did during the Great Depression. These temporary jobs will provide decent work for unemployed and underemployed individuals while simultaneously addressing community needs and reducing disparities in health, housing, education, job training, and public infrastructure.

Facts about Unemployment

In July 2015 official unemployment stood at 8.3 million, but there were also 6.3 million people working part-time who wanted full-time jobs and 6.4 million jobless individuals who wanted to work but were not counted as unemployed. All together there were at 21 million people in the United States who were partially or totally unemployed at a time when employers had only 5.2 million job openings—belying the claims of economists who say we’re approaching (or even at) full employment.

Social Costs of Unemployment

The effects of this unemployment plague are devastating. In addition to wreaking havoc with the finances of its victims and their families, it is associated with increased rates of both mental and physical illness (including death rates), marital and relationship breakups, behavioral problems and lower academic performance for the children of the unemployed, worsening rates of both suicide and attempted suicide, and increased hopelessness—especially for young adults denied the opportunity to realize their potential.

What Would the Jobs Pay?

The jobs would pay the same wages as equivalent jobs in the regular public sector and would include including health insurance and paid leave benefits.

What Kind of Jobs Would be Created?

- Constructing, repairing, improving and beautifying low and moderate income housing and public facilities of all types—both buildings and open spaces.
- Providing a wide variety of human services, including the augmentation of staffing levels in existing agencies and programs.
- Creating special programs to remedy the disadvantages that certain population groups face in obtaining equal access to education, training, employment, and entrepreneurial opportunities.

- Restoring and revitalizing abandoned and vacant properties.
- Expanding and improving emergency food programs.
- Expanding and augmenting the staffing of Head Start, child care, and other early childhood education programs.
- Supplementing the labor force of private contractors undertaking federally or State-funded infrastructure projects.
- Expanding access to broadband or wireless Internet service in underserved areas.
- Implementing a wide range of environmental initiatives to conserve natural resources, remediate environmental damage, reverse climate change, and achieve environmental sustainability.
- Installing solar panels on suitable roofs throughout the country, regardless of the financial ability of the families or organizations that occupy the buildings.
- Creating and providing support for community gardens wherever interest exists.
- Reducing the cost of environmentally responsible infrastructure repairs and improvements—especially in communities that are strapped for funds.
- Enhancing emergency preparedness for natural and other community disasters, and improving post-emergency assistance for the victims of such disasters.
- Expanding work-study opportunities for secondary and post-secondary students, and creating “bridge employment” for recent graduates unable to find work.
- Any other activity that addresses public needs.

Criteria for Distributing Job Creation Funds

Grants would be available to both government agencies and not-for profit organizations, but only in communities where there were too few jobs to provide work for all job seekers. Grant applicants would be required to consult with community leaders, including labor organizations, nonprofit organizations, government officials, and local residents to assess community needs and insure that their project would serve them. Projects in areas with the greatest economic need would be prioritized.

Other Specifics Concerning the Jobs

- All of the jobs would have to last for at least one year.
- Program employees would have the right to choose between full-time (40 hours per week) and part-time employment.
- There would be no time limit on an individual’s eligibility for employment in a program-funded job (or a succession of such jobs), but program employees would have to remain available for employment in equivalent non-program jobs as they became available.
- Regular employees in both local government and the not-for-profit sector would be afforded strong protection against replacement by program employees.
- Jobs could be provided in unionized work places only with the consent of the union and with terms and conditions of employment for the jobs negotiated with the union.

Where Would the Money Come From?

HR 1000 would establish a national Full Employment Trust Fund with two accounts. One account would be reserved for the creation of jobs. The second account would fund job training and placement services. Participants in job training programs would be paid a stipend whenever appropriate given the nature of the program. Revenue for the trust fund would come from a small tax on transactions involving the purchase and sale of financial securities. This kind of tax is known as a "Financial Transactions Tax" or FTT. To forestall recessions, the Trust Fund would be empowered to borrow money from the Federal Reserve System whenever additional funds were needed to prevent the unemployment rate from increasing more than 1%.

How Many Jobs Would HR 1000 be Able to Create?

About 8 million new jobs and paid training positions, not counting the additional jobs program spending would stimulate the private sector to create when the economy was in recession or recovering from one.

Would This Be Enough to Achieve Full Employment

Not immediately, but it would be capable of achieving that goal over time as the program's anti-recessionary effects took hold and labor markets adjusted to the guaranteed availability of work for all job seekers. The achievement of genuine full employment is an internationally recognized human rights obligation and has been formally recognized as a goal of the federal government in duly-enacted legislation. H.R. 1000 is designed not only to recommit the federal government to the achievement of this goal but to actually achieve the goal.

Would It Be Inflationary?

No. The legislation has been carefully designed to prevent the inflationary upsurge that accompanies efforts to push the unemployment rate below the 4% to 5% range using a general economic stimulus. This is a key advantage of the direct job creation strategy that distinguishes it from other job creation strategies. The bill also includes a provision that would restrict program hiring to those workers in greatest need should inflation ever become a problem.

Contacts for Further Information

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115TH CONGRESS
1ST SESSION

H. R. 1000

To establish the National Full Employment Trust Fund to create employment opportunities for the unemployed.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 9, 2017

Mr. CONYERS (for himself, Mr. NADLER, Ms. KAPTUR, Ms. WILSON of Florida, Ms. SLAUGHTER, Mr. ELLISON, Ms. SCHAKOWSKY, Ms. MOORE, Mr. CAPUANO, Mr. GRIJALVA, Mr. POCAN, Mr. MCGOVERN, Ms. NORTON, Mr. VEASEY, Mr. SERRANO, Ms. CLARKE of New York, Mrs. LAWRENCE, Mr. LEWIS of Georgia, Mr. CUMMINGS, Mr. DANNY K. DAVIS of Illinois, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. GARAMENDI, Mr. RYAN of Ohio, Mr. MEEKS, Ms. JUDY CHU of California, Mr. AL GREEN of Texas, Mrs. BEATTY, Mr. NOLAN, and Mr. RASKIN) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the National Full Employment Trust Fund to create employment opportunities for the unemployed.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 SECTION 1. SHORT TITLE.

2 This Act shall be cited as the “Humphrey-Hawkins
3 21st Century Full Employment and Training Act of
4 2017” or the “Jobs for All Act”.

5 SEC. 2. FINDINGS AND PURPOSE.

6 (a) FINDINGS.—Congress finds the following:

7 (1) The Full Employment and Balanced
8 Growth Act of 1978 established an interim 5-year
9 target of 3-percent unemployment for individuals 20
10 years of age and older, and 4 percent for individuals
11 age 16 and over within 5 years, with full employ-
12 ment to be achieved “as soon as practicable” there-
13 after.

14 (2) The Federal Government has previously es-
15 tablished full employment as a national goal in na-
16 tional legislation, including the Employment Act of
17 1946 and the Full Employment and Balanced
18 Growth Act of 1978.

19 (3) Pursuant to these Acts, the Congress de-
20 clared it is the continuing policy and responsibility
21 of the Federal Government to use all practicable
22 means to create and maintain conditions which pro-
23 mote useful employment opportunities for all who
24 seek them, including the self-employed. Pursuant to
25 these Acts, the Congress declared and established as
26 a national goal the fulfillment of the right to full op-

1 portunities for useful paid employment at fair rates
2 of compensation of all individuals able, willing, and
3 seeking to work.

4 (4) The Nation has suffered substantial unem-
5 ployment and underemployment, and idleness of pro-
6 ductive resources over prolonged periods of time, im-
7 posing numerous economic and social costs on the
8 Nation.

9 (5) The Nation has been deprived of the full
10 supply of goods and services, the full utilization of
11 labor and capital resources, and the related increases
12 in economic well-being that would occur under condi-
13 tions of genuine full employment.

14 (6) The current output of goods and services is
15 insufficient to meet pressing national priorities for
16 infrastructure, transportation, energy, education,
17 health care, child and elder care, and many other
18 necessary public and human services.

19 (7) Unemployment and underemployment ex-
20 pose many workers and families to significant, so-
21 cial, psychological and physiological costs, including
22 disruption of family life, the loss of individual dig-
23 nity and self-respect, and the aggravation of physical
24 and psychological illnesses.

1 (8) Persisting unemployment and underemploy-
2 ment have devastating financial consequences, re-
3 sulting in the loss of income and spending power for
4 families, and interfering with their ability to save
5 and accumulate assets for a secure family life and
6 retirement. High levels of unemployment and inad-
7 equate consumer demand also contribute to poor
8 conditions for retail businesses, manufacturers and
9 many other firms to grow and prosper. In the real
10 estate sector, the Congress finds that continuing
11 high levels of unemployment contribute to fore-
12 closures, evictions, and commercial vacancies, under-
13 mining the quality of neighborhood and community
14 life, and hampering prospects for economic recovery
15 and national prosperity.

16 (9) The historic promise of this earlier legisla-
17 tion has not been fully realized, and we re-declare
18 and reaffirm our support for achieving a national
19 goal of jobs for all at living wages.

20 (10) The United States has a duty under Arti-
21 cles 55 and 56 of the United Nations Charter to
22 promote “full employment” and the “universal re-
23 spect for, and observance of, human rights and fun-
24 damental freedoms for all without distinction as to
25 race, sex, language, or religion”. The human rights

1 the United States has a duty to promote pursuant
2 to this obligation are set forth in the Universal Dec-
3 laration of Human Rights. Article 23 of the Uni-
4 versal Declaration states that “Everyone has the
5 right to work” and to “just and favorable remunera-
6 tion” that insures for his or her family “an existence
7 worthy of human dignity, and supplemented, if nec-
8 essary, by other means of social protection”.

9 (11) The Congress has a strong interest in
10 seeking the progressive reduction and elimination of
11 job disparities among groups of workers who experi-
12 ence chronically higher rates of unemployment and
13 underemployment.

14 (12) Even at the top of the business cycle, when
15 national unemployment rates drop to the 4-percent
16 to 5-percent range, job vacancy surveys show that
17 the economy does not provide enough jobs to employ
18 everyone who wants to work. Reliance on direct job
19 creation to close the economy’s job gap is especially
20 important at such times, because it provides a
21 means of creating additional jobs without adding
22 significantly to inflationary pressures, a very dif-
23 ficult goal to achieve at the top of the business cycle
24 via macroeconomic policy interventions.

1 (13) The Congress intends to maximize the cre-
2 ation of private, public and nonprofit sector jobs
3 through improved use of general economic and struc-
4 tural policies, including measures to encourage pri-
5 vate sector investment and capital formation; an in-
6 creased public investment in research and develop-
7 ment, infrastructure, energy, education, public serv-
8 ices and the environment, and other essential goods
9 and services.

10 (b) PURPOSE.—It is the purpose of the Humphrey-
11 Hawkins 21st Century Full Employment and Training
12 Act of 2015 to fulfill the right to useful work at living
13 wages for all persons seeking employment by establishing
14 a Full Employment Trust Fund to fund and operate a
15 national program of public service employment and to pro-
16 vide additional labor market opportunities to complement
17 those offered by the existing private, public, and nonprofit
18 sectors.

19 SEC. 3. DEFINITIONS.

20 In this Act the following definitions apply:

21 (1) INDIAN TRIBE.—The term “Indian tribe”
22 has the meaning given such term in section 102(17)
23 of the Housing and Community Development Act
24 (42 U.S.C. 5302(17)).

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of Labor.

3 (3) SMALL BUSINESS.—The term “small busi-
4 ness” has the meaning given the term “small busi-
5 ness concern” under section 3 of the Small Business
6 Act (15 U.S.C. 632).

7 (4) STATE.—The term “State” has the mean-
8 ing given such term in section 102(2) of the Hous-
9 ing and Community Development Act (42 U.S.C.
10 5302(2)).

11 (5) TRUST FUND.—The term “Trust Fund” re-
12 fers to the Full Employment Trust Fund established
13 under section 4.

14 (6) UNIT OF GENERAL LOCAL GOVERNMENT.—
15 The term “unit of general local government” has the
16 meaning given such term in section 102(1) of the
17 Housing and Community Development Act (42
18 U.S.C. 5302(1)).

19 (7) URBAN COUNTY.—The term “urban coun-
20 ty” has the meaning given such term in section
21 102(6) of the Housing and Community Development
22 Act (42 U.S.C. 5302(6)).

1 SEC. 4. ESTABLISHMENT OF FULL EMPLOYMENT NATIONAL
2 TRUST FUND.

3 (a) IN GENERAL.—The Secretary shall establish a
4 Full Employment National Trust Fund (in this Act re-
5 ferred to as the “Trust Fund”) for the purposes of—

6 (1) providing funding for the Employment Op-
7 portunity Grants established in section 5; and

8 (2) issuing funds to the Secretary to fund pro-
9 grams under the Workforce Innovation and Oppor-
10 tunity Act of 2014 (29 U.S.C. 3101 et seq.).

11 (b) FINANCING THE TRUST FUND.—Subject to the
12 availability of appropriations for this purpose, the Sec-
13 retary of the Treasury shall annually make available to
14 the Secretary of Labor for deposit into the Trust Fund
15 an amount equal to the amount collected for that year
16 through the tax described in section 4475 of the Internal
17 Revenue Code of 1986, as added by section 8.

18 (c) LOANS FROM THE FEDERAL RESERVE SYS-
19 TEM.—

20 (1) IN GENERAL.—If the amount available in
21 the Trust Fund for allocation under section 5 is in-
22 sufficient to prevent the national unemployment rate
23 from rising more than one full percentage point
24 above its previously attained level, the Board of Gov-
25 ernors of the Federal Reserve System shall lend
26 such additional amounts to the Trust Fund as are

1 necessary to allow the Secretary of Labor to make
2 such additional allocations under section 5 as are
3 necessary to restore the national unemployment rate
4 to its allowable 1-percent range of upward variation.

5 (2) REPAYMENT.—Amounts lent to the Trust
6 Fund by the Board of Governors of the Federal Re-
7 serve System under paragraph (1) shall be repaid by
8 the Trust Fund over 10 years, with interest payable
9 at the same average rate the Federal Government
10 contracts to pay on 10-year bonds sold during the
11 period beginning 45 days prior to the date the loans
12 were made to the Trust Fund and ending 45 days
13 following such date.

14 (d) SEPARATE TRUST FUND ACCOUNTS.—The Trust
15 Fund shall consist of 2 separate accounts as follows:

16 (1) One account shall consist of 67 percent of
17 the funds made available for deposit under sub-
18 section (b) and shall be for the Employment Oppor-
19 tunity Grants established in section 5.

20 (2) The other account shall consist of 33 per-
21 cent of the funds made available for deposit under
22 subsection (b) and shall be available to the Secretary
23 to fund programs under the Workforce Innovation
24 and Opportunity Act of 2014 (29 U.S.C. 3101 et
25 seq.).

1 (e) **WEB SITE.**—The Secretary shall establish an
2 Internet Web site to serve as an information clearinghouse
3 for job training and employment opportunities funded by
4 the Trust Fund.

5 (f) **TRAINING STIPEND.**—The Secretary shall pro-
6 mulgate regulations requiring entities that receive funds
7 under programs under the Workforce Innovation and Op-
8 portunity Act of 2014 (29 U.S.C. 3101 et seq.) that are
9 funded by the account described in subsection (d) (2) to
10 establish training stipends for individuals who participate
11 in such programs.

12 (g) **RESEARCH FACILITY.**—The Secretary, through
13 studies conducted by the Department of Labor or through
14 independent studies, shall—

15 (1) review the effectiveness of job training and
16 job creation programs funded under this Act;

17 (2) disseminate information concerning best
18 practices for achieving the goals of the Act as well
19 as common difficulties encountered in that endeavor;
20 and

21 (3) acquire a better understanding of the true
22 net cost of the job training and job creation pro-
23 grams funded under this Act by documenting the in-
24 direct effects of those programs on the revenues re-

1 ceived and costs incurred by different levels of gov-
2 ernment.

3 SEC. 5. EMPLOYMENT OPPORTUNITY GRANTS.

4 (a) GRANTS.—Subject to the availability of funds in
5 the Trust Fund, the Secretary shall make grants to eligi-
6 ble entities for the purpose of creating employment oppor-
7 tunities for unemployed and underemployed individuals in
8 activities designed to address community needs and reduce
9 disparities in health, housing, education, job readiness,
10 and public infrastructure that have impeded these commu-
11 nities from realizing their full economic potential.

12 (b) ELIGIBLE ENTITIES.—Entities eligible to receive
13 grants under this section shall include States, Indian
14 tribes, units of general local government, elementary and
15 secondary educational institutions that derive their sup-
16 port entirely or primarily from public funds, educational
17 institutions that participate in the Federal Work-Study
18 Program, and not-for-profit organizations that qualify as
19 tax-exempt under section 501(c)(3), (5), (8), (9), (19), or
20 (26) of the Internal Revenue Code.

21 (c) USE OF FUNDS.—A recipient of a grant under
22 this section shall use the grant for the following purposes:

23 (1) Construction, re-construction, rehabilitation,
24 and site improvements of residences or public facili-
25 ties, including improvements in the energy efficiency

1 or environmental quality of such public facilities or
2 residences.

3 (2) Provision of human services, including child
4 care, health care, support services for individuals
5 and families with special needs, education, after-
6 school and vacation programs for children, and rec-
7 reational and cultural enrichment programs for per-
8 sons of all ages.

9 (3) Programs that provide disadvantaged youth
10 with opportunities for employment, education, lead-
11 ership development, entrepreneurial skills develop-
12 ment, and training.

13 (4) The repair, remodeling and beautification of
14 schools, community centers, libraries and other com-
15 munity-based public facilities, and the augmentation
16 of staffing for the services they provide.

17 (5) The restoration and revitalization of aban-
18 doned and vacant properties to alleviate blight in
19 distressed and foreclosure-affected areas of a unit of
20 general local government.

21 (6) The expansion of emergency food programs
22 to reduce hunger and promote family stability.

23 (7) The augmentation of staffing in Head
24 Start, child care, and other early childhood edu-
25 cation programs to promote school readiness, early

1 literacy, life-long learning, and family involvement in
2 their children's education.

3 (8) The renovation and enhancement of mainte-
4 nance of parks, playgrounds, and other public
5 spaces.

6 (9) Supplemental labor for existing federally or
7 State-funded infrastructure projects.

8 (10) Supplemental labor for existing federally
9 or State-funded projects aimed at expanding access
10 to broadband or wireless Internet service.

11 (11) The implementation of environmental ini-
12 tiatives designed to conserve natural resources, re-
13 mediate environmental damage, reverse climate
14 change, and achieve environmental sustainability.

15 (12) The enhancement of emergency prepared-
16 ness for natural and other community disasters and
17 of post-emergency assistance for the victims of disas-
18 ters.

19 (13) The expansion of work-study opportunities
20 for secondary and post-secondary students, and the
21 creation of "bridge employment" opportunities for
22 recent graduates who have been unable to find work
23 in the occupations for which they have trained.

1 (14) Other activities that address public needs
2 and which can be implemented as quickly as the ac-
3 tivities described in paragraphs (1) through (11).

4 (d) CONSULTATION REQUIRED.—Each grant recipi-
5 ent shall consult with community leaders, including labor
6 organizations, nonprofit community-based organizations,
7 local government officials, and local residents to—

8 (1) assess the needs of the community served
9 by the grant recipient;

10 (2) determine sectors of the local economy that
11 are in need of employees;

12 (3) make recommendations for new employment
13 opportunities in the areas described in subsection
14 (c); and

15 (4) assess the effectiveness of job placements
16 made under this Act.

17 (e) CONDITIONS.—As a condition of receiving a grant
18 under this section, a grant recipient shall—

19 (1) agree to comply with the nondiscrimination
20 policy set forth under section 109 of the Housing
21 and Community Development Act of 1974 (42
22 U.S.C. 5309);

23 (2) with respect to the funds allocated for each
24 project funded under the grant—

1 (A) allocate not less than 80 percent for
2 wages, benefits, and support services, including
3 child care services, for individuals, supervisory
4 and management personnel, employed on such
5 project; and

6 (B) allocate the remaining funds to defray
7 the nonlabor costs of the project, including nec-
8 essary capital goods, supplies, materials, rental
9 payments, transportation costs, and other simi-
10 lar expenses;

11 (3) use revenue generated by a project funded
12 under the grant (whether in the form of fees paid
13 for services provided by the project, reimbursements
14 for expenses incurred in undertaking the project, or
15 income from the sale of goods or services produced
16 by the project) in excess of the costs of the project
17 to—

18 (A) supplement the project budget; or

19 (B) support other projects funded by the
20 grant in conformity with the purposes of this
21 Act and subject to the same rules and require-
22 ments that apply to other such projects;

23 (4) ensure that employment on any project
24 funded under the grant is carried out in accordance
25 with subsection (c);

1 (5) institute an outreach program with commu-
2 nity organizations and service providers in low-in-
3 come communities to provide information about
4 placements funded under the grant to individuals
5 suited to perform community infrastructure work;
6 and

7 (6) ensure that not less than 35 percent of indi-
8 viduals employed under the grant are individuals de-
9 scribed in paragraph (4)(B) of subsection (f).

10 (f) EMPLOYMENT DESCRIBED.—Employment funded
11 under this section shall meet the following specifications:

12 (1) Any employer that employs an individual
13 whose employment is funded under the grant shall—

14 (A) continue to employ such individual for
15 not less than 12 months, subject to the individ-
16 ual’s satisfactory performance of the reasonable
17 requirements of the individual’s employment;

18 (B) if such an individual desires full-time
19 employment, employ such individual for not less
20 than 35 hours per week and not more than 40
21 hours, and if such an individual desires part-
22 time work, employ such individual for a mutu-
23 ally agreed number of hours per week that is
24 less than 35 hours per week;

1 (C) comply with responsible contractor
2 standards, as determined by the relevant official
3 in the unit of local general government;

4 (D) provide compensation to such indi-
5 vidual on a per hour basis equal to the com-
6 pensation provided to public sector employees
7 who perform similar work in the community
8 where such individual is employed or, if no pub-
9 lic sector employees perform such similar work,
10 provide compensation to such individual that is
11 comparable to the compensation provided to
12 private-sector employees who perform similar
13 work in the community where such individual is
14 employed;

15 (E) if such employment is in construction,
16 provide compensation to any laborer or me-
17 chanic employed under the grant at rates not
18 less than those prevailing on similar construc-
19 tion in the locality as determined by the Sec-
20 retary in accordance with subchapter IV of
21 chapter 31 of title 40, United States Code; and

22 (F) offer assistance to such individual in
23 applying for social benefits for which such indi-
24 vidual or the members of such individual's fam-
25 ily may be eligible.

1 (2) No individual whose employment is funded
2 under the grant may work for an employer at which
3 a collective bargaining agreement is in effect cov-
4 ering the same or similar work, unless—

5 (A) the consent of the union at such em-
6 ployer is obtained; and

7 (B) negotiations have taken place between
8 such union and the employer as to the terms
9 and conditions of such employment.

10 (3)(A) An employer may not employ an indi-
11 vidual for a position funded under this Act, if—

12 (i) employing such individual will result in
13 the layoff or partial displacement (such as a re-
14 duction in hours, wages, or employee benefits)
15 of an existing employee of the employer; or

16 (ii) such individual will perform the same
17 or substantially similar work that had pre-
18 viously been performed by an employee of the
19 employer who—

20 (I) has been laid off or partially dis-
21 placed (as such term is described in sub-
22 clause (I)); and

23 (II) has not been offered by the em-
24 ployer, to be restored to the position the

1 employee had immediately prior to being
2 laid off or partially displaced.

3 (B) For the purposes of this paragraph, a posi-
4 tion shall be considered to have been eliminated by
5 an employer if the position has remained unfilled
6 and the unit or organization has not sought to fill
7 such position for at least a period of one month.

8 (C) An individual may not be hired for a posi-
9 tion funded under this Act in a manner that in-
10 fringes upon the promotional opportunities of an ex-
11 isting employee (as of the date of such hiring) of an
12 employer receiving funds under this Act.

13 (4) An individual seeking employment in a job
14 funded under this Act shall have their eligibility for
15 such employment certified by the State employment
16 service in the State where the job is located. To be
17 certified as eligible for such employment, the indi-
18 vidual shall satisfy at least one of the following con-
19 ditions as of the date the individual is hired to fill
20 a job funded under this Act:

21 (A) The individual is receiving unemploy-
22 ment insurance benefits.

23 (B) The individual is unemployed, is a
24 member of a targeted group as defined by sec-
25 tion 51(d) of the Internal Revenue Code of

1 1986, and has been seeking employment, with
2 the assistance of the State employment service,
3 for not less than 30 days prior to the date on
4 which the individual is so hired.

5 (C) The individual is unemployed and has
6 been seeking employment, with the assistance of
7 the State employment service, for not less than
8 60 days prior to the date the individual is so
9 hired.

10 (D) The individual has been employed
11 part-time while seeking full-time employment
12 with the assistance of the State employment
13 service for not less than 13 weeks prior to the
14 date the individual is so hired.

15 (5) An individual employed in a job funded
16 under this Act shall—

17 (A) notwithstanding the individual's em-
18 ployment in a job funded under this Act, be
19 registered with the appropriate State employ-
20 ment service as available for and seeking work;

21 (B) respond appropriately, as a person
22 available for and seeking employment, to refer-
23 rals by the State employment service concerning
24 available jobs;

1 (C) apply for suitable jobs for which the
2 individual has been referred by the State em-
3 ployment service; and

4 (D) accept a suitable job if such job is of-
5 fered to the individual.

6 For purposes of subparagraphs (C) and (D), the
7 term “suitable job” means a job that a newly unem-
8 ployed individual receiving unemployment insurance
9 benefits would be required to accept in order to
10 avoid forfeiting the individual’s eligibility for contin-
11 ued receipt of unemployment insurance benefits
12 under the laws of the State in which the individual
13 is employed in a job funded under this Act. An indi-
14 vidual employed under this Act shall be granted time
15 off with pay to comply with subparagraph (C). An
16 individual who fails to comply with the requirements
17 set forth in subparagraphs (C) and (D) without good
18 cause shall be subject to disqualification for employ-
19 ment in a job funded under this act for a period not
20 to exceed 13 weeks, after which time the individual’s
21 eligibility shall be restored provided they have satis-
22 fied the eligibility requirements set forth in para-
23 graph 4. Any such disqualification must be effected
24 in accord with the laws, regulations and procedures
25 that govern an individual’s disqualification from con-

1 tinued receipt of Unemployment Insurance benefits
2 in the State, except that no wages paid or owing to
3 the individual for work already performed can be
4 forfeited as a result of such proceeding.

5 (6) An individual employed in a job funded
6 under this Act who terminates that employment in
7 order to accept other employment, and who subse-
8 quently is terminated from that other employment
9 without fault on the individual's part, shall be eligi-
10 ble for immediate reemployment in a job funded
11 under this Act.

12 (7) In hiring individuals for positions funded
13 under this Act, or using funds under this Act to con-
14 tinue to provide employee compensation for existing
15 employees, an employer shall comply with all appli-
16 cable Federal, State, and local laws, personnel poli-
17 cies and regulations, and collective bargaining agree-
18 ments, as if such individual was hired, or such em-
19 ployee compensation were provided, without assist-
20 ance under this Act.

21 (8) An individual hired for a position funded
22 under this Act shall—

23 (A) be considered an employee of the em-
24 ployer, by which such individual was hired; and

1 (B) receive the same employee compensa-
2 tion, have the same rights and responsibilities
3 and job classifications, and be subject to the
4 same job standards, employer policies, and col-
5 lective bargaining agreements as if such indi-
6 vidual were hired without assistance under this
7 Act.

8 (g) AWARD OF GRANTS.—

9 (1) SELECTION CRITERIA.—In selecting a
10 project to receive funding for employing the individ-
11 uals described in subsection (f)(4), a grant recipient
12 shall consider—

13 (A) the input of all participants in a pro-
14 posed project, including labor organizations,
15 community organizations, and employers;

16 (B) the needs of the community intended
17 to benefit from such project;

18 (C) the long-term goals and short-term ob-
19 jectives to address such needs; and

20 (D) any recommendations for programs
21 and activities developed to meet such needs.

22 (2) PRIORITY GIVEN TO CERTAIN PROJECTS.—
23 A grant recipient under this section shall give pri-
24 ority to projects that—

1 (A) serve areas with the greatest level of
2 economic need, determined for each such area
3 by—

4 (i) the unemployment rate;

5 (ii) the rate of poverty;

6 (iii) the number of census tracts with
7 concentrated poverty;

8 (iv) the lowest median income;

9 (v) the percentage of vacant and
10 abandoned properties;

11 (vi) the percentage of home fore-
12 closures; and

13 (vii) the indicators of poor resident
14 health, including high rates of chronic dis-
15 ease, infant mortality, and life expectancy;

16 (B) integrate education and job skills
17 training, including basic skills instruction and
18 secondary education services;

19 (C) coordinate to the maximum extent fea-
20 sible with pre-apprenticeship and apprenticeship
21 programs; and

22 (D) provide jobs in sectors where job
23 growth is most likely, as determined by the Sec-
24 retary, and in which career advancement oppor-
25 tunities exist to maximize long-term, sustain-

1 able employment for individuals after employ-
2 ment funded under this Act ends.

3 (h) ALLOCATION OF GRANTS.—The total amount of
4 grant funding awarded under this section for a fiscal year
5 shall not exceed 90 percent of the funds available in the
6 account described in section 4(d)(1) for such year. The
7 Secretary shall develop criteria for the allocation of these
8 funds. These criteria shall ensure, to the extent reasonably
9 possible, that—

10 (1) the number of jobs created with those funds
11 in each community will be proportionate to the level
12 of unemployment, involuntary part-time employment,
13 and non-labor-force participation by persons who
14 want and are available to accept jobs in each com-
15 munity, and

16 (2) the type of jobs created with those funds in
17 each community will be designed to match the quali-
18 fications of unemployed and under-employed job-
19 seekers in those communities, taking into consider-
20 ation available training opportunities.

21 If the total number of jobs created in a particular commu-
22 nity under this Act falls short of the number needed to
23 provide jobs for substantially all job seekers, the Secretary
24 of Labor shall have the authority to establish and admin-
25 ister its own job creation projects in the community.

1 (i) REPORTS.—

2 (1) REPORTS BY GRANT RECIPIENTS.—Not
3 later than 90 days after the last day of each fiscal
4 year in which assistance under this section is fur-
5 nished, a recipient of a grant under this section shall
6 submit to the Secretary a report containing the fol-
7 lowing:

8 (A) A description of the progress made in
9 accomplishing the objectives of this chapter.

10 (B) A summary of the use of the grant
11 during the preceding fiscal year.

12 (C) For units of general local government,
13 a listing of each entity receiving funds and the
14 amount of such grants, as well as a brief sum-
15 mary of the projects funded for each such unit,
16 the extent of financial participation by other
17 public or private entities, and the impact on
18 employment and economic activity of such
19 projects during the previous fiscal year.

20 (D) For States, a listing of each unit of
21 general local government receiving funds and
22 the amount of such grants, as well as a brief
23 summary of the projects funded for each such
24 unit, the extent of financial participation by
25 other public or private entities, and the impact

1 on employment and economic activity of such
2 projects during the previous fiscal year.

3 (E) The amount of money received and ex-
4 pended during the fiscal year.

5 (F) The number of individuals assisted
6 under the grant whose household income is low-
7 income, very low-income, or extremely low-in-
8 come (as such terms are used for purposes of
9 the Housing Act of 1937 and the regulations
10 thereunder (42 U.S.C. 1437 et seq.)).

11 (G) The amount expended on administra-
12 tive costs during the fiscal year.

13 (2) REPORT TO CONGRESS.—At least once
14 every 6 months, the Secretary shall submit to Con-
15 gress a report on the use of grants awarded under
16 this section and any progress in job creation.

17 (j) ESTABLISHMENT OF ARBITRATION PROCE-
18 DURE.—

19 (1) IN GENERAL.—Each grant recipient under
20 this section shall agree to the arbitration procedure
21 described in this subsection to resolve disputes de-
22 scribed in subsections (k) and (l).

23 (2) WRITTEN GRIEVANCES.—

24 (A) IN GENERAL.—If an employee (or an
25 employee representative) wishes to use the arbi-

1 tration procedure described in this subsection,
2 such party shall file a written grievance within
3 the time period required under subsection (k)
4 or (l), as applicable, simultaneously with the
5 chief executive officer of a unit or State in-
6 volved in the dispute and the Secretary.

7 **(B) IN-PERSON MEETING.**—Not later than
8 10 days after the date of the filing of the griev-
9 ance, the chief executive officer (or the designee
10 of the chief executive officer) shall have an in-
11 person meeting with the party to resolve the
12 grievance.

13 **(3) ARBITRATION.**—

14 **(A) SUBMISSION.**—If the grievance is not
15 resolved within the time period described in
16 paragraph (2)(B), a party, by written notice to
17 the other party involved, may submit such
18 grievance to binding arbitration before a quali-
19 fied arbitrator who is jointly selected and inde-
20 pendent of the parties.

21 **(B) APPOINTMENT BY SECRETARY.**—If the
22 parties cannot agree on an arbitrator within 5
23 days of submitting the grievance to binding ar-
24 bitration under subparagraph (A), one of the
25 parties may submit a request to the Secretary

1 to appoint a qualified and independent arbi-
2 trator. The Secretary shall appoint a qualified
3 and independent arbitrator within 15 days after
4 receiving the request.

5 (C) HEARING.—Unless the parties mutu-
6 ally agree otherwise, the arbitrator shall con-
7 duct a hearing on the grievance and issue a de-
8 cision not later than 30 days after the date
9 such arbitrator is selected or appointed.

10 (D) COSTS.—

11 (i) IN GENERAL.—Except as provided
12 in clause (ii), the cost of an arbitration
13 proceeding shall be divided evenly between
14 the parties to the arbitration.

15 (ii) EXCEPTION.—If a grieving party
16 prevails under an arbitration proceeding,
17 the recipient of a grant under this section
18 shall pay the cost of such proceeding, in-
19 cluding attorneys' fees.

20 (k) DISPUTES CONCERNING THE ALLOTMENT OF
21 FUNDS.—In a case where a unit of general local govern-
22 ment that is an entitlement community or a State has im-
23 properly requested funds for services or functions to be
24 provided by a community-based organization that are cus-
25 tomarily provided by the unit or, in the case of a State,

1 by a unit located in the non-entitlement area of the State
2 where services or functions will be provided by the organi-
3 zation, an employee or employee representative of the unit
4 or State may file a grievance under subsection (j) not later
5 than 15 days after public notice of an intent to submit
6 an application under this section is published. Upon re-
7 ceiving a copy of the grievance, the Secretary shall with-
8 hold the funds subject to such grievance, unless and until
9 the grievance is resolved under subsection (j), by the par-
10 ties or an arbitrator in favor of providing such funding.

11 (l) ALL OTHER DISPUTES.—

12 (1) IN GENERAL.—In the case of a dispute not
13 covered under subsection (k) concerning compliance
14 with the requirements of this section by a recipient
15 of a grant under this section, an employee or em-
16 ployee representative of the unit or State may file a
17 grievance under subsection (k) not later than 90
18 days after the dispute arises. In such cases, an arbi-
19 trator may award such remedies as are necessary to
20 make the grieving party whole, including the rein-
21 statement of a displaced employee or the payment of
22 back wages, and may submit recommendations to
23 the Secretary to ensure further compliance with the
24 requirements of this title, including recommenda-
25 tions to suspend or terminate funding, or to require

1 the repayment of funds received under this title dur-
2 ing any period of noncompliance.

3 (2) EXISTING GRIEVANCE PROCEDURES.—A
4 party to a dispute described in paragraph (1) may
5 use the existing grievance procedure of a recipient of
6 a grant under this section, or the arbitration proce-
7 dure described in this subsection, to resolve such dis-
8 pute.

9 (m) PARTY DEFINED.—For purposes of subsections
10 (j), (k), and (l), the term “party” means the employee and
11 the recipient of a grant under this section, involved in a
12 dispute described in subsection (k) or (l).

13 (n) WHISTLEBLOWER HOTLINE; ENFORCEMENT BY
14 THE SECRETARY.—

15 (1) WHISTLEBLOWER HOTLINE.—The Sec-
16 retary shall post on a publicly accessible Internet
17 Web site of the Department of Labor the contact in-
18 formation for reporting noncompliance with this title
19 by a State, unit of general local government, com-
20 munity-based organization, or individual receiving
21 funding under this title.

22 (2) ENFORCEMENT BY THE SECRETARY.—

23 (A) IN GENERAL.—If the Secretary re-
24 ceives a complaint alleging noncompliance with
25 this title, the Secretary may conduct an inves-

1 tigation and after notice and an opportunity for
2 a hearing, may order such remedies as the Sec-
3 retary determines appropriate, including—

4 (i) withholding further funds under
5 this title to a noncompliant entity;

6 (ii) requiring the entity to make an
7 injured party whole; or

8 (iii) requiring the entity to repay to
9 the Secretary any funds received under
10 this title during any period of noncompli-
11 ance.

12 **(B) RECOMMENDATION BY AN ARBI-**
13 **TRATOR.**—A remedy described in subparagraph
14 **(A)** may also be ordered by the Secretary upon
15 recommendation by an arbitrator appointed or
16 selected under this section.

17 **SEC. 6. NATIONAL EMPLOYMENT CONFERENCE.**

18 **(a) IN GENERAL.**—Using funds described in section
19 **4(d)(2)**, the Secretary shall convene a national employ-
20 ment conference not later than 1 year after the date of
21 enactment of this Act, and annually thereafter.

22 **(b) SUBJECT.**—The subject of the conference shall be
23 the role of this Act in addressing all aspects of the prob-
24 lems of unemployment, the sharing of best practices in ad-

1 dressing those problems, and the discussion of problems
2 in the administration of this Act.

3 SEC. 7. INCLUSION OF MINORITY-SERVING, COMMUNITY-
4 BASED ORGANIZATIONS IN STATE AND
5 LOCAL WORKFORCE DEVELOPMENT BOARDS.

6 (a) STATE BOARDS.—Section 101(b)(1)(C) of the
7 Workforce Innovation and Opportunity Act (29 U.S.C.
8 3111(b)(1)(C)) is amended—

9 (1) by striking “and” at the end of subclause
10 (II);

11 (2) by inserting “and” at the end of subclause
12 (III); and

13 (3) by adding at the end the following:

14 “(IV) are not less than 25 per-
15 cent of the chief executive officers of
16 minority-serving, community-based or-
17 ganizations;”.

18 (b) LOCAL BOARDS.—Section 107(b)(2)(C) of such
19 Act (29 U.S.C. 3122(b)(2)(A)) is amended by adding at
20 the end the following:

21 “(iv) shall include not less than 25
22 percent of the chief executive officers of
23 minority-serving, community-based organi-
24 zations;”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect as if enacted as part of the
3 Workforce Innovation and Opportunity Act (29 U.S.C.
4 3101 et seq.).

5 SEC. 8. TAX ON SECURITIES TRANSACTIONS.

6 (a) IN GENERAL.—Chapter 36 of the Internal Rev-
7 enue Code of 1986 is amended by inserting after sub-
8 chapter B the following new subchapter:

9 **“Subchapter C—Tax on Securities**
10 **Transactions**

11 “SEC. 4475. TAX ON TRADING TRANSACTIONS.

12 “(a) IMPOSITION OF TAX.—There is hereby imposed
13 a tax on the transfer of ownership in each covered trans-
14 action with respect to any security.

15 “(b) RATE OF TAX.—The tax imposed under sub-
16 section (a) with respect to any covered transaction shall
17 be the applicable percentage of the specified base amount
18 with respect to such covered transaction. The applicable
19 percentage shall be—

20 “(1) 0.2 percent in the case of a security de-
21 scribed in subparagraph (A) or (B) of subsection
22 (e)(1),

23 “(2) 0.06 percent in the case of a security de-
24 scribed in subparagraph (C) of subsection (e)(1),

1 “(3) 0.2 percent in the case of a security de-
2 scribed in subparagraph (D) of subsection (e)(1) if
3 the underlying assets on which the rights and obliga-
4 tions created by the security are based consist of
5 other securities described in subparagraph (A) or
6 (B) of subsection (e)(1),

7 “(4) 0.2 percent in the case of a security de-
8 scribed in subparagraph (F) of subsection (e)(1) if
9 the index on which the rights and obligations created
10 by the security are based is an index referencing the
11 values of securities described in subparagraph (A) or
12 (B) of subsection (e)(1)(A), and

13 “(5) 0.06 percent in the case of any security
14 described in subparagraph (D), (E), or (F) of sub-
15 section (e)(1) (other than a security described in
16 paragraph (3) or (4)).

17 “(c) SPECIFIED BASE AMOUNT.—For purposes of
18 this section, the term ‘specified base amount’ means—

19 “(1) except as provided in paragraph (2), the
20 fair market value of the security (determined as of
21 the time of the covered transaction), and

22 “(2) in the case of any payment described in
23 subsection (h), the amount of such payment.

24 “(d) COVERED TRANSACTION.—For purposes of this
25 section, the term ‘covered transaction’ means—

1 “(1) except as provided in paragraph (2), any
2 purchase if—

3 “(A) such purchase occurs or is cleared on
4 a facility located in the United States, or

5 “(B) the purchaser or seller is a United
6 States person, and

7 “(2) any transaction with respect to a security
8 described in subparagraph (D), (E), or (F) of sub-
9 section (e)(1), if—

10 “(A) such security is traded or cleared on
11 a facility located in the United States, or

12 “(B) any party with rights under such se-
13 curity is a United States person.

14 “(e) SECURITY AND OTHER DEFINITIONS.—For pur-
15 poses of this section—

16 “(1) IN GENERAL.—The term ‘security’
17 means—

18 “(A) any share of stock in a corporation,

19 “(B) any partnership or beneficial owner-
20 ship interest in a partnership or trust,

21 “(C) any note, bond, debenture, or other
22 evidence of indebtedness, other than a State or
23 local bond the interest of which is excluded
24 from gross income under section 103(a),

1 “(D) any evidence of an interest in, or a
2 derivative financial instrument with respect to,
3 any security or securities described in subpara-
4 graph (A), (B), or (C),

5 “(E) any derivative financial instrument
6 with respect to any currency or commodity in-
7 cluding notional principal contracts, and

8 “(F) any other derivative financial instru-
9 ment any payment with respect to which is cal-
10 culated by reference to any specified index.

11 “(2) DERIVATIVE FINANCIAL INSTRUMENT.—
12 The term ‘derivative financial instrument’ includes
13 any option, forward contract, futures contract, no-
14 tional principal contract, or any similar financial in-
15 strument.

16 “(3) SPECIFIED INDEX.—The term ‘specified
17 index’ means any one or more of any combination
18 of—

19 “(A) a fixed rate, price, or amount, or

20 “(B) a variable rate, price, or amount,
21 which is based on any current objectively deter-
22 minable information which is not within the
23 control of any of the parties to the contract or
24 instrument and is not unique to any of the par-
25 ties’ circumstances.

1 “(4) TREATMENT OF EXCHANGES.—

2 “(A) IN GENERAL.—An exchange shall be
3 treated as the sale of the property transferred
4 and a purchase of the property received by each
5 party to the exchange.

6 “(B) CERTAIN DEEMED EXCHANGES.—In
7 the case of a distribution treated as an ex-
8 change for stock under section 302 or 331, the
9 corporation making such distribution shall be
10 treated as having purchased such stock for pur-
11 poses of this section.

12 “(f) EXCEPTIONS.—

13 “(1) EXCEPTION FOR INITIAL ISSUES.—No tax
14 shall be imposed under subsection (a) on any cov-
15 ered transaction with respect to the initial issuance
16 of any security described in subparagraph (A), (B),
17 or (C) of subsection (e)(1).

18 “(2) EXCEPTION FOR CERTAIN TRADED SHORT-
19 TERM INDEBTEDNESS.—A note, bond, debenture, or
20 other evidence of indebtedness which—

21 “(A) is traded on a trading facility located
22 in the United States, and

23 “(B) has a fixed maturity of not more
24 than 60 days, shall not be treated as described
25 in subsection (e)(1)(C).

1 “(3) EXCEPTION FOR SECURITIES LENDING AR-
2 RANGEMENTS.—No tax shall be imposed under sub-
3 section (a) on any covered transaction with respect
4 to which gain or loss is not recognized by reason of
5 section 1058.

6 “(4) EXCEPTION FOR INTERESTS IN MUTUAL
7 FUNDS.—No tax shall be imposed under subsection
8 (a) with respect to the purchase or sale of any inter-
9 est in a regulated investment company (as defined in
10 section 851).

11 “(g) BY WHOM PAID.—

12 “(1) IN GENERAL.—The tax imposed by this
13 section shall be paid by—

14 “(A) in the case of a transaction which oc-
15 curs or is cleared on a facility located in the
16 United States, such facility, and

17 “(B) in the case of a purchase not de-
18 scribed in subparagraph (A) which is executed
19 by a broker (as defined in section 6045(c)(1)),
20 the broker.

21 “(2) SPECIAL RULES FOR DIRECT, ETC.,
22 TRANSACTIONS.—In the case of any transaction to
23 which paragraph (1) does not apply, the tax imposed
24 by this section shall be paid by—

1 “(A) in the case of a transaction described
2 in subsection (d)(1)—

3 “(i) the purchaser if the purchaser is
4 a United States person, and

5 “(ii) the seller if the purchaser is not
6 a United States person, and

7 “(B) in the case of a transaction described
8 in subsection (d)(2)—

9 “(i) the payor if the payor is a United
10 States person, and

11 “(ii) the payee if the payor is not a
12 United States person.

13 “(h) CERTAIN PAYMENTS TREATED AS SEPARATE
14 TRANSACTIONS.—Except as otherwise provided by the
15 Secretary, any payment with respect to a security de-
16 scribed in subparagraph (D), (E), or (F) of subsection
17 (e)(1) shall be treated as a separate transaction for pur-
18 poses of this section, including—

19 “(1) any net initial payment, net final or termi-
20 nating payment, or net periodical payment with re-
21 spect to a notional principal contract (or similar fi-
22 nancial instrument),

23 “(2) any payment with respect to any forward
24 contract (or similar financial instrument), and

1 “(3) any premium paid with respect to any op-
2 tion (or similar financial instrument).

3 “(i) ADMINISTRATION.—The Secretary shall carry
4 out this section in consultation with the Securities and Ex-
5 change Commission and the Commodity Futures Trading
6 Commission.

7 “(j) GUIDANCE; REGULATIONS.—The Secretary
8 shall—

9 “(1) provide guidance regarding such informa-
10 tion reporting concerning covered transactions as the
11 Secretary deems appropriate, including reporting by
12 the payor of the tax in cases where the payor is not
13 the purchaser, and

14 “(2) prescribe such regulations as are necessary
15 or appropriate to prevent avoidance of the purposes
16 of this section, including the use of non-United
17 States persons in such transactions.

18 “(k) WHISTLEBLOWERS.—See section 7623 for pro-
19 visions relating to whistleblowers.”.

20 (b) PENALTY FOR FAILURE TO INCLUDE COVERED
21 TRANSACTION INFORMATION WITH RETURN.—Part I of
22 subchapter B of chapter 68 of the Internal Revenue Code
23 of 1986 is amended by inserting after section 6707A the
24 following new section:

1 “SEC. 6707B. PENALTY FOR FAILURE TO INCLUDE COV-
2 ERED TRANSACTION INFORMATION WITH RE-
3 TURN.

4 “(a) IMPOSITION OF PENALTY.—Any person who
5 fails to include on any return or statement any informa-
6 tion with respect to a covered transaction which is re-
7 quired pursuant to section 4475(j)(1) to be included with
8 such return or statement shall pay a penalty in the
9 amount determined under subsection (b).

10 “(b) AMOUNT OF PENALTY.—Except as otherwise
11 provided in this subsection, the amount of the penalty
12 under subsection (a) with respect to any covered trans-
13 action shall be determined by the Secretary.

14 “(c) COVERED TRANSACTION.—For purposes of this
15 section, the term ‘covered transaction’ has the meaning
16 given such term by section 4475(d).

17 “(d) AUTHORITY TO RESCIND PENALTY.—

18 “(1) IN GENERAL.—The Commissioner of In-
19 ternal Revenue may rescind all or any portion of any
20 penalty imposed by this section with respect to any
21 violation if rescinding the penalty would promote
22 compliance with the requirements of this title and
23 effective tax administration.

24 “(2) NO JUDICIAL APPEAL.—Notwithstanding
25 any other provision of law, any determination under

1 this subsection may not be reviewed in any judicial
2 proceeding.

3 “(3) RECORDS.—If a penalty is rescinded under
4 paragraph (1), the Commissioner shall place in the
5 file in the Office of the Commissioner the opinion of
6 the Commissioner with respect to the determination,
7 including—

8 “(A) a statement of the facts and cir-
9 cumstances relating to the violation,

10 “(B) the reasons for the rescission, and

11 “(C) the amount of the penalty rescinded.

12 “(e) COORDINATION WITH OTHER PENALTIES.—The
13 penalty imposed by this section shall be in addition to any
14 other penalty imposed by this title.”.

15 (c) CLERICAL AMENDMENTS.—

16 (1) The table of sections for part I of sub-
17 chapter B of chapter 68 of such Code is amended
18 by inserting after the item relating to section 6707A
19 the following new item:

“Sec. 6707B. Penalty for failure to include covered transaction information
with return.”.

20 (2) The table of subchapters for chapter 36 of
21 the Internal Revenue Code of 1986 is amended by
22 inserting after the item relating to subchapter B the
23 following new item:

“SUBCHAPTER C. TAX ON TRADING TRANSACTIONS”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to transactions occurring more
3 than 180 days after the date of the enactment of this Act.

4 SEC. 9. SUSPENSION BASED ON FINDING OF INFLATION
5 DURING PERIOD OF LOW UNEMPLOYMENT.

6 (a) DETERMINATION ON INFLATION.—Whenever the
7 conditions specified in subsection (k) are satisfied, the
8 Secretary shall make a determination as to whether there
9 is good cause to believe that—

10 (1) job creation funded under this Act con-
11 stitutes a significant contributing factor to the ele-
12 vation of the rate of inflation above the level set
13 forth in subsection (k); and

14 (2) a reduction in the number of persons em-
15 ployed in jobs funded under this Act is necessary to
16 restore the rate of inflation to a level below that set
17 forth in subsection (k).

18 (b) SUSPENSION OF HIRING.—If the Secretary deter-
19 mines that such good cause exists, the Secretary shall
20 issue an interim order temporarily—

21 (1) suspending new hiring of persons described
22 in subsections (f)(4)(A) and (f)(4)(D) of section 5
23 for jobs funded under this Act; and

24 (2) freezing the hourly wage rates paid for jobs
25 funded under this Act.

1 (c) **PUBLICATION OF SUSPENSION ORDER.**—At least
2 7 days before the effective date of the interim order de-
3 scribed in subsection (b), the Secretary shall cause a copy
4 of the order to be sent by email to all applicants for and
5 recipients of Employment Opportunity Grants under sec-
6 tion 5 and published in the Federal Register along with
7 a notice requesting public comment thereon. The comment
8 period announced in this notice shall last for 30 days from
9 the day the notice is published. The Secretary shall also
10 announce the publication of the interim order and invite
11 public comment thereon in a press conference called ex-
12 pressly for that purpose and to which representatives of
13 the national news media have been invited.

14 (d) **NO REVIEW REQUIRED.**—The Office of Manage-
15 ment and Budget shall not be required to review the order
16 described in subsection (b) and no impact statement or
17 analysis of the order’s effect shall be required under any
18 other statute.

19 (e) **REVOCATION OR CONFIRMATION OF ORDER.**—
20 After the 30-day comment period described in subsection
21 (c) has expired and the Secretary has considered the com-
22 ments received relating to the interim order for a period
23 not to exceed 15 additional days, the Secretary shall—

24 (1) either revoke the interim order or confirm
25 it with or without changes;

1 (2) cause all applicants for and recipients of
2 Employment Opportunity Grants under section 5 to
3 be notified of such confirmation or revocation in the
4 manner described in subsection (c)(1); and

5 (3) publish a notice in the Federal Register an-
6 nouncing such confirmation or revocation along with
7 a statement summarizing the views submitted by the
8 public during the comment period and setting forth
9 in reasonable detail the evidence, reasoning, and ar-
10 guments relied upon and rejected in deciding wheth-
11 er to revoke the interim order or confirm it with or
12 without changes.

13 (f) CONTINUANCE OF AUTHORITY.—If the interim
14 order is confirmed, either with or without changes, the
15 Secretary shall have the authority to transfer funds from
16 the account described in subsection (d)(1) of section 4 to
17 the account described in subsection (d)(2) of section 4 to
18 the extent necessary to provide additional training oppor-
19 tunities for persons whose employment in jobs funded
20 under this Act has been temporarily suspended.

21 (g) WAIVER.—Any person who would be eligible for
22 employment in a job funded under this Act but for the
23 order described in subsections (b) and (e) shall be afforded
24 the opportunity to apply for a waiver of the order’s appli-
25 cation to them on the grounds that it would cause them

1 or their family to suffer undue hardship. The Secretary
2 shall establish procedures and rules insuring that such
3 waiver applications are considered and decided in an expe-
4 ditious manner.

5 (h) NO EARLY TERMINATION, SUSPENSION IN HIR-
6 ING, OR REDUCTION IN WAGES.—No person employed in
7 a job funded under this Act shall have their employment
8 prematurely terminated to achieve the purposes of this
9 section. Hiring for jobs funded under this Act of persons
10 described in subsections (f)(4)(B) and (f)(4)(C) of section
11 5 may not be suspended to achieve the purposes of this
12 section. The hourly wages paid for jobs funded under this
13 Act may not be reduced to achieve the purposes of this
14 section.

15 (i) WAIVER OF APPLICABILITY.—The Secretary shall
16 have the authority to waive the applicability of the order
17 described in sections (b) and (e) to recipients of Employ-
18 ment Opportunity Grants to the extent necessary to pre-
19 vent layoffs by the grant recipient of persons already em-
20 ployed by them in jobs funded under this Act.

21 (j) DURATION OF ORDER.—The order described in
22 subsections (b) and (e) shall remain in effect only as long
23 as the conditions specified in subsection (k) are satisfied.

1 (k) INFLATIONARY TRIGGER.—The Secretary’s au-
2 thority to act under this section shall arise only when both
3 of the following conditions are jointly satisfied:

4 (1) The seasonally adjusted unemployment rate
5 for the civilian labor force of the United States, as
6 reported by the United States Bureau of Labor Sta-
7 tistics in its most recent Employment Situation
8 News Release, is less than 4.0 percent.

9 (2) The seasonally adjusted consumer price
10 index for all urban consumers in the United States,
11 as reported by the United States Bureau of Labor
12 Statistics in its most recent Consumer Price Index
13 News Release, is more than 3 percent above its level
14 during the same period one year earlier.

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