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Internal Revenue Code Section 45P

Employer wage credit for employees who are active duty members of the uniformed services

(a) General rule.

For purposes of section 38, the differential wage payment credit for any taxable year is an amount equal to 20 percent of the sum of the eligible differential wage payments for each of the qualified employees of the taxpayer during such taxable year.

(b) Definitions.

For purposes of this section-

(1) Eligible differential wage payments.

The term "eligible differential wage payments" means, with respect to each qualified employee, so much of the differential wage payments (as defined in section 3401(h)(2)) paid to such employee for the taxable year as does not exceed \$20,000.

(2) Qualified employee.

The term "qualified employee" means a person who has been an employee of the taxpayer for the 91-day period immediately preceding the period for which any differential wage payment is made.

(3) Controlled groups.

All persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

(c) Coordination with other credits.

The amount of credit otherwise allowable under this chapter with respect to compensation paid to any employee shall be reduced by the credit determined under this section with respect to such employee.

(d) Disallowance for failure to comply with employment or reemployment rights of members of the reserve components of the Armed Forces of the United States.

No credit shall be allowed under subsection (a) to a taxpayer for-

(1) any taxable year, beginning after the date of the enactment of this section, in which the taxpayer is under a final order, judgment, or other process issued or required by a district court of the United States under section 4323 of title 38 of the United States Code with respect to a violation of chapter 43 of such title, and

(2) the 2 succeeding taxable years.

(e) Certain rules to apply.

For purposes of this section, rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply.

(f) Repealed.