“(B) ‘assessment jurisdiction’ means a geographical area in a State used in determining the assessed value of property for ad valorem taxation;
“(C) ‘air carrier transportation property’ means property, as defined by the Civil Aeronautics Board, owned or used by an air carrier providing air transportation;
“(D) ‘commercial and industrial property’ means property, other than transportation property and land used primarily for agricultural purposes or timber growing, devoted to a commercial or industrial use and subject to a property tax levy; and
“(E) ‘State’ shall include the Commonwealth of Puerto Rico, the Virgin Islands, Guam, the District of Columbia, the territories or possessions of the United States, and political agencies of two or more States.
“(3) This subsection shall not apply to any in lieu tax which is wholly utilized for airport and aeronautical purposes.”.

TITLE VI—FEDERAL SUPPLEMENTAL COMPENSATION PROGRAM

Subtitle A—Extension of Benefits

SHORT TITLE

SEC. 601. This subtitle may be cited as the “Federal Supplemental Compensation Act of 1982”.

FEDERAL-STATE AGREEMENTS

SEC. 602. (a) Any State which desires to do so may enter into and participate in an agreement with the Secretary of Labor (hereinafter in this title referred to as the “Secretary”) under this subtitle. Any State which is a party to an agreement under this subtitle may, upon providing thirty days’ written notice to the Secretary, terminate such agreement.

(b) Any such agreement shall provide that the State agency of the State will make payments of Federal supplemental compensation—
(1) to individuals who—
(A) have exhausted all rights to regular compensation under the State law;
(B) have no rights to compensation (including both regular compensation and extended compensation) with respect to a week under such law or any other State unemployment compensation law or to compensation under any other Federal law (and is not paid or entitled to be paid any additional compensation under any such State or Federal law); and
(C) are not receiving compensation with respect to such week under the unemployment compensation law of Canada;
(2) for any week of unemployment which begins in the individual’s period of eligibility, except that no payment of Federal supplemental compensation shall be made to any individual for any week of unemployment which
begins more than two years after the end of the benefit year for which he exhausted his rights to regular compensation.

(c) For purposes of subsection (b)(1)(A), an individual shall be deemed to have exhausted his rights to regular compensation under a State law when—

(A) no payments of regular compensation can be made under such law because such individual has received all regular compensation available to him based on employment or wages during his base period; or

(B) his rights to such compensation have been terminated by reason of the expiration of the benefit year with respect to which such rights existed.

(d) For purposes of any agreement under this subtitle—

(1) the amount of the Federal supplemental compensation which shall be payable to any individual for any week of total unemployment shall be equal to the amount of the regular compensation (including dependents' allowances) payable to him during his benefit year under the State law for a week of total unemployment; and

(2) the terms and conditions of the State law which apply to claims for extended compensation and to the payment thereof shall apply to claims for Federal supplemental compensation and the payment thereof; except where inconsistent with the provisions of this subtitle or with the regulations of the Secretary promulgated to carry out this subtitle.

Solely for purposes of paragraph (2), the amendment made by section 2404(a) of the Omnibus Budget Reconciliation Act of 1981 shall be deemed to be in effect for all weeks beginning on or after September 12, 1982.

(e)(1) Any agreement under this subtitle with a State shall provide that the State will establish, for each eligible individual who files an application for Federal supplemental compensation, a Federal supplemental compensation account with respect to such individual's benefit year.

(2)(A) Except as otherwise provided in this paragraph, the amount established in such account for any individual shall be equal to the lesser of—

(i) 50 per centum of the total amount of regular compensation (including dependents' allowances) payable to him with respect to the benefit year (as determined under the State law) on the basis of which he most recently received regular compensation; or

(ii) 6 times his average weekly benefit amount (as determined for purposes of section 202(b)(1)(C) of the Federal-State Extended Unemployment Compensation Act of 1970) for his benefit year.

(B) If an extended benefit period was in effect under the Federal-State Extended Unemployment Compensation Act of 1970 in a State for any week which begins on or after June 1, 1982, and before the week for which the compensation is paid, subparagraph (A) shall be applied with respect to such State by substituting "10" for "6" in clause (ii) thereof.

(C)(i) In the case of any State not described in subparagraph (B), subparagraph (A) shall be applied, only with respect to weeks during a high unemployment period, by substituting "8" for "6" in clause (ii) thereof.

(ii) For purposes of clause (i), the term "high unemployment period" means, with respect to any State, the period—
(I) which begins with the third week after the first week in
which the rate of insured unemployment in the State for
the period consisting of such week and the immediately preceding
12 weeks equals or exceeds 3.5 percent, and

(II) which ends with the third week after the first week in
which the rate of insured unemployment in the State for
the period consisting of such week and the immediately preceding
12 weeks is less than 3.5 percent;

except that no high unemployment period shall last for a period of
less than 4 weeks.

(iii) For purposes of clause (ii), the rate of insured unemployment
for any period shall be determined in the same manner as determined
for purposes of section 203 of the Federal-State Extended

(f) No Federal supplemental compensation shall be payable to
any individual under an agreement entered into under this subtitle
for any week beginning before whichever of the following is the
later:

(A) the week following the week in which such agreement is
entered into; or

(B) September 12, 1982.

(2) No Federal supplemental compensation shall be payable to any
individual under an agreement entered into under this subtitle for
any week beginning after March 31, 1983.

PAYMENTS TO STATES HAVING AGREEMENTS FOR THE PAYMENT OF
FEDERAL SUPPLEMENTAL COMPENSATION

Sec. 603. (a) There shall be paid to each State which has entered
into an agreement under this subtitle an amount equal to 100 percent
of the Federal supplemental compensation paid to individuals by the State pursuant to such agreement.

(b) No payment shall be made to any State under this section in
respect of compensation to the extent the State is entitled to reimburse ment in respect of such compensation under the provisions of
any Federal law other than this subtitle or chapter 85 of title 5 of
the United States Code. A State shall not be entitled to any reim-
bursement under such chapter 85 in respect of any compensation to the extent the State is entitled to reimbursement under this subtitle
in respect of such compensation.

(c) Sums payable to any State by reason of such State’s having an
agreement under this subtitle shall be payable, either in advance or
by way of reimbursement (as may be determined by the Secretary),
in such amounts as the Secretary estimates the State will be enti-
tled to receive under this subtitle for each calendar month, reduced
or increased, as the case may be, by any amount by which the
Secretary finds that his estimates for any prior calendar month
were greater or less than the amounts which should have been paid
to the State. Such estimates may be made on the basis of statistical
sampling, or other method as may be agreed upon by the
Secretary and the State agency of the State involved.

FINANCING PROVISIONS

Sec. 604. (a)(1) Funds in the extended unemployment compensa-
tion account (as established by section 905 of the Social Security Act)
of the Unemployment Trust Fund shall be used for the making of
payments to States having agreements entered into under this subtitle.

(2) The Secretary shall from time to time certify to the Secretary of the Treasury for payment to each State the sums payable to such State under this subtitle. The Secretary of the Treasury, prior to audit or settlement by the General Accounting Office, shall make payments to the State in accordance with such certification, by transfers from the extended unemployment compensation account (as established by section 905 of the Social Security Act) to the account of such State in the Unemployment Trust Fund.

(b) There are hereby authorized to be appropriated, without fiscal year limitation, to the extended unemployment compensation account, such sums as may be necessary to carry out the purposes of this subtitle. Amounts appropriated pursuant to the preceding sentence shall not be required to be repaid.

(c) There are hereby authorized to be appropriated from the general fund of the Treasury, without fiscal year limitation, such funds as may be necessary for purposes of assisting States (as provided in title III of the Social Security Act) in meeting the costs of administration of agreements under this subtitle.

DEFINITIONS

SEC. 605. For purposes of this subtitle—

(1) the terms "compensation", "regular compensation", "extended compensation", "base period", "benefit year", "State", "State agency", "State law", and "week" shall have the meanings assigned to them under section 205 of the Federal-State Extended Unemployment Compensation Act of 1970; and

(2) the term "period of eligibility" means, with respect to any individual, any week which begins on or after September 12, 1982, and begins before April 1, 1983; except that an individual shall not have a period of eligibility unless—

(A) his benefit year ends on or after June 1, 1982, or

(B) such individual was entitled to extended compensation for a week which begins on or after June 1, 1982.

FRAUD AND OVERPAYMENTS

SEC. 606. (a)(1) If an individual knowingly has made, or caused to be made by another, a false statement or representation of a material fact, or knowingly has failed, or caused another to fail, to disclose a material fact, and as a result of such false statement or representation or of such nondisclosure such individual has received an amount of Federal supplemental compensation under this subtitle to which he was not entitled, such individual—

(A) shall be ineligible for further Federal supplemental compensation under this subtitle in accordance with the provisions of the applicable State unemployment compensation law relating to fraud in connection with a claim for unemployment compensation; and

(B) shall be subject to prosecution under section 1001 of title 18, United States Code.

(2)(A) In the case of individuals who have received amounts of Federal supplemental compensation under this subtitle to which they were not entitled, the State is authorized to require such individuals to repay the amounts of such Federal supplemental
compensation to the State agency, except that the State agency may waive such repayment if it determines that—

(i) the payment of such Federal Supplemental compensation was without fault on the part of any such individual, and

(ii) such repayment would be contrary to equity and good conscience.

(B) The State agency may recover the amount to be repaid, or any part thereof, by deductions from any Federal supplemental compensation payable to such individual under this subtitle or from any unemployment compensation payable to such individual under any Federal unemployment compensation law administered by the State agency or under any other Federal law administered by the State agency which provides for the payment of any assistance or allowance with respect to any week of unemployment, during the three-year period after the date such individuals received the payment of the Federal supplemental compensation to which they were not entitled, except that no single deduction may exceed 50 per centum of the weekly benefit amount from which such deduction is made.

(C) No repayment shall be required, and no deduction shall be made, until a determination has been made, notice thereof and an opportunity for a fair hearing has been given to the individual, and the determination has become final.

(3) Any determination by a State agency under paragraph (1) or (2) shall be subject to review in the same manner and to the same extent as determinations under the State unemployment compensation law, and only in that manner and to that extent.

Subtitle B—Taxation of Unemployment Compensation

SEC. 611. TAXATION OF UNEMPLOYMENT COMPENSATION.

(a) Lowering Base Amount From $20,000 to $12,000 (From $25,000 to $18,000 in Case of Joint Return).—Subsection (b) of section 85 of the Internal Revenue Code of 1954 (defining base amount) is amended—

1. by striking out "$20,000" and inserting in lieu thereof "$12,000";

2. by striking out "$25,000" and inserting in lieu thereof "$18,000".

(b) Effective Dates.—

1. Compensation paid after 1981.—The amendments made by this section shall apply to payments of unemployment compensation made after December 31, 1981, in taxable years ending after such date.

2. No addition to tax for underpayment of estimated tax attributable to application of amendments to compensation paid in 1982.—No addition to tax shall be made under section 6654 of the Internal Revenue Code of 1954 with respect to any underpayment to the extent such underpayment is attributable to unemployment compensation which is received during 1982 and which (but for the amendments made by subsection (a)) would not be includable in gross income.

3. Special rule for fiscal year taxpayers.—In the case of a taxable year (other than a calendar year) which includes January 1, 1982—
(A) the amendments made by this section shall be applied by taking into account the entire amount of unemployment compensation received during such taxable year, but

(B) the increase in gross income for such taxable year as a result of such amendments shall not exceed the amount of unemployment compensation paid after December 31, 1981.

(4) UNEMPLOYMENT COMPENSATION DEFINED.—For purposes of this subsection, the term “unemployment compensation” has the meaning given to such term by section 85(c) of the Internal Revenue Code of 1954.

Approved September 3, 1982.

LEGISLATIVE HISTORY—H.R. 4961:

HOUSE REPORTS: No. 97-404 (Comm. on Ways and Means) and No. 97-760 (Comm. of Conference).

SENATE REPORTS: No. 97-494 Vols. 1 and 2 (Comm. on Finance) and No. 97-530 (Comm. of Conference).

CONGRESSIONAL RECORD:


Aug. 19, House and Senate agreed to conference report.