

"Getting Americans back to work is our number one priority and today we will take another step forward, with more action to come, in our multi-pronged effort to create jobs and strengthen our economy." Speaker Pelosi's office.

Elizabeth J. Koumas
Koumas Law Group
110 West C Street, 1810
San Diego, California 92101
(619) 398-8301
ejk@koumaslaw.com
www.koumaslaw.com

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Payroll Tax Exemption for New Hires

The U.S. Senate and House of Representatives recently agreed to end debate on legislation that would give employers a payroll tax exemption for hiring new employees in 2010. The vote to end debate clears the way for a final vote on the legislation.

The Hiring Incentives to Restore Employment (HIRE) Act would offer an exemption from payroll taxes for each worker hired in 2010. The hired employee must have been unemployed for at least 60 days for employers to qualify for the tax credit. The maximum value of this incentive is \$6,621, which equals to 6.2 percent of wages paid in 2010 up to the FICA wage cap of \$106,800. The longer that a business has a new qualified worker on its payroll, the greater the tax benefit. If an employer retains the new employee for at least 52 weeks, the employer would be eligible for \$1,000 business tax credit for 2011.

The legislation also includes a provision that allows small businesses to write off more of their expenditures.

About Elizabeth J. Koumas, Esq.

Ms. Koumas is the founder of the law firm Koumas Law Group. She has extensive experience in labor law compliance and employment litigation. Her practice focuses on the defense of employers in administrative claims filed with the Labor Commissioner, the Department of Fair Employment and Housing (DFEH), the Equal Employment Opportunity Commission (EEOC), and the Employment Development (EDD). She also represents the interests of employers and management in litigated matters, which include wage and hour issues, wrongful termination, sexual harassment and discrimination claims. For more information about Ms. Koumas or the services that can be provided, please visit www.KoumasLaw.com.

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