

1 the calendar year ending with or within the
2 preceding taxable year of the individual.

3 “(iv) SEPARATE RETURNS.—In the
4 case of a married individual (within the
5 meaning of section 7703) who files a sepa-
6 rate return for the taxable year for which
7 the amount of the installment is being de-
8 termined, clause (ii)(I) shall be applied by
9 substituting ‘\$250,000’ for ‘\$500,000’.

10 “(v) ESTATES AND TRUSTS.—In the
11 case of an estate or trust, adjusted gross
12 income shall be determined as provided in
13 section 67(e).”.

14 **PART III—INCENTIVES FOR NEW JOBS**

15 **SEC. 1221. INCENTIVES TO HIRE UNEMPLOYED VETERANS** 16 **AND DISCONNECTED YOUTH.**

17 (a) IN GENERAL.—Subsection (d) of section 51 is
18 amended by adding at the end the following new para-
19 graph:

20 “(14) CREDIT ALLOWED FOR UNEMPLOYED
21 VETERANS AND DISCONNECTED YOUTH HIRED IN
22 2009 OR 2010.—

23 “(A) IN GENERAL.—Any unemployed vet-
24 eran or disconnected youth who begins work for
25 the employer during 2009 or 2010 shall be

1 treated as a member of a targeted group for
2 purposes of this subpart.

3 “(B) DEFINITIONS.—For purposes of this
4 paragraph—

5 “(i) UNEMPLOYED VETERAN.—The
6 term ‘unemployed veteran’ means any vet-
7 eran (as defined in paragraph (3)(B), de-
8 termined without regard to clause (ii)
9 thereof) who is certified by the designated
10 local agency as—

11 “(I) having been discharged or
12 released from active duty in the
13 Armed Forces at any time during the
14 5-year period ending on the hiring
15 date, and

16 “(II) being in receipt of unem-
17 ployment compensation under State or
18 Federal law for not less than 4 weeks
19 during the 1-year period ending on
20 the hiring date.

21 “(ii) DISCONNECTED YOUTH.—The
22 term ‘disconnected youth’ means any indi-
23 vidual who is certified by the designated
24 local agency—

1 “(I) as having attained age 16
2 but not age 25 on the hiring date,
3 “(II) as not regularly attending
4 any secondary, technical, or post-sec-
5 ondary school during the 6-month pe-
6 riod preceding the hiring date,
7 “(III) as not regularly employed
8 during such 6-month period, and
9 “(IV) as not readily employable
10 by reason of lacking a sufficient num-
11 ber of basic skills.”.

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to individuals who begin work for
14 the employer after December 31, 2008.

15 **PART IV—RULES RELATING TO DEBT**

16 **INSTRUMENTS**

17 **SEC. 1231. DEFERRAL AND RATABLE INCLUSION OF IN-**
18 **COME ARISING FROM BUSINESS INDEBTED-**
19 **NESS DISCHARGED BY THE REACQUISITION**
20 **OF A DEBT INSTRUMENT.**

21 (a) IN GENERAL.—Section 108 (relating to income
22 from discharge of indebtedness) is amended by adding at
23 the end the following new subsection:

24 “(i) DEFERRAL AND RATABLE INCLUSION OF IN-
25 COME ARISING FROM BUSINESS INDEBTEDNESS DIS-