105TH CONGRESS
2D SESSION

H. R. 4025

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for information technology training expenses paid or incurred by the employer, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 1998

Mr. CHRISTENSEN introduced the following bill; which was referred to the Committee on Ways and Means

---

A BILL

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for information technology training expenses paid or incurred by the employer, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CREDIT FOR INFORMATION TECHNOLOGY**

4 **TRAINING PROGRAM EXPENSES.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-

6 chapter A of chapter 1 of the Internal Revenue Code of

7 1986 (relating to business related credits) is amended by

8 adding at the end the following new section:

1 **"SEC. 45D. INFORMATION TECHNOLOGY TRAINING PRO-**

2   **GRAM EXPENSES.**

3   "(a) GENERAL RULE.—For purposes of section 38,

4 in the case of an employer, the information technology

5 training program credit determined under this section is

6 an amount equal to 20 percent of information technology

7 training program expenses paid or incurred by the tax-

8 payer during the taxable year.

9   "(b) ADDITIONAL CREDIT PERCENTAGE FOR CER-

10 TAIN PROGRAMS.—The percentage under subsection (a)

11 shall be increased by 5 percentage points for information

12 technology training program expenses paid or incurred by

13 the taxpayer with respect to a program operated in—

14   "(1) an empowerment zone or enterprise com-

15   munity designated under part I of subchapter U,

16   "(2) a school district in which at least 50 per-

17   cent of the students attending schools in such dis-

18   trict are eligible for free or reduced-cost lunches

19   under the school lunch program established under

20   the National School Lunch Act (42 U.S.C. 1751 et

21   seq.), or

22   "(3) an area designated as a disaster area by

23   the Secretary of Agriculture or by the President

24   under the Robert T. Stafford Disaster Relief and

25   Emergency Assistance Act (42 U.S.C. 5121 et seq.)

26   in the taxable year or the 4 preceding taxable years.

3

1   ''(c) LIMITATION.—The amount of information tech-
2 nology training program expenses with respect to an em-
3 ployee which may be taken into account under subsection
4 (a) for the taxable year shall not exceed $6,000.
5   ''(d) INFORMATION TECHNOLOGY TRAINING PRO-
6 GRAM EXPENSES.—For purposes of this section—
7   ''(1) IN GENERAL.—The term 'information
8   technology training program expenses' means ex-
9   penses paid or incurred by reason of the participa-
10   tion of the employer in any information technology
11   training program.
12   ''(2) INFORMATION TECHNOLOGY TRAINING
13   PROGRAM.—The term 'information technology train-
14   ing program' means a program—
15   ''(A) for the training of computer program-
16   mers, systems analysts, and computer scientists
17   or engineers (as such occupations are defined
18   by the Bureau of Labor Statistics),
19   ''(B) involving a partnership of—
20   ''(i) employers, and
21   ''(ii) State training programs, school
22   districts, or university systems, and
23   ''(C) at least 50 percent of the costs of
24   which is paid or incurred by the employers.

1 ''(e) DENIAL OF DOUBLE BENEFIT.—No deduction
2 or credit under any other provision of this chapter shall
3 be allowed with respect to information technology training
4 program expenses (determined without regard to the limi-
5 tation under subsection (c)).

6 ''(f) ALLOCATIONS.—For purposes of this section,
7 rules similar to the rules of section 41(f)(2) shall apply.''

8 (b) CREDIT TO BE PART OF GENERAL BUSINESS
9 CREDIT.—Section 38(b) of such Code (relating to current
10 year business credit) is amended by striking ''plus'' at the
11 end of paragraph (11), by striking the period at the end
12 of paragraph (12) and inserting '', plus'', and by adding
13 at the end the following new paragraph:

14   ''(13) the information technology training pro-
15   gram credit determined under section 45D.''

16 (c) NO CARRYBACKS.—Subsection (d) of section 39
17 of such Code (relating to carryback and carryforward of
18 unused credits) is amended by adding at the end the fol-
19 lowing new paragraph:

20   ''(9) NO CARRYBACK OF SECTION 45D CREDIT
21   BEFORE EFFECTIVE DATE.—No portion of the un-
22   used business credit for any taxable year which is
23   attributable to the information technology training
24   program credit determined under section 45D may

1   be carried back to a taxable year ending before the

2   date of the enactment of section 45D.''

3   (d) CLERICAL AMENDMENT.—The table of sections

4 for subpart D of part IV of subchapter A of chapter 1

5 of such Code is amended by adding at the end the follow-

6 ing new item:

> "Sec. 45D. Information technology training program expenses.''

7   (e) EFFECTIVE DATE.—The amendments made by

8 this section shall apply to amounts paid or incurred after

9 the date of the enactment of this Act in taxable years end-

10 ing after such date.

○