

106TH CONGRESS
2D SESSION

H. R. 3819

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses incurred in teleworking.

IN THE HOUSE OF REPRESENTATIVES

MARCH 1, 2000

Mr. WOLF (for himself, Mr. DAVIS of Virginia, and Mrs. MORELLA) 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 a credit against income tax for expenses incurred in teleworking.

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. SHORT TITLE.**

4 This Act may be cited as the “Telework Tax Incen-
5 tive Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds as follows:

1 (1) Federal, State, and local governments spend
2 billions of dollars annually on the Nation's transpor-
3 tation needs.

4 (2) Congestion on the Nation's roads costs over
5 \$74,000,000,000 annually in lost work time, fuel
6 consumption, and costs of infrastructure and equip-
7 ment repair.

8 (3) On average on-road-vehicles contribute 30
9 percent of nitrogen oxides emissions.

10 (4) It is estimated that staying at home to work
11 requires 3 times less energy consumption than com-
12 muting to work.

13 (5) It was recently reported that if an identified
14 10 to 20 percent of commuters switched to tele-
15 working, 1,800,000 tons of regulated pollutants
16 would be eliminated, 3,500,000,000 gallons of gas
17 would be saved, 3,100,000,000 hours of personal
18 time would be freed up, and maintenance and infra-
19 structure costs would decrease by \$500,000,000 an-
20 nually because of reduced congestion and reduced
21 vehicle miles traveled.

22 (6) The average American daily commute is 62
23 minutes for a 44-mile round-trip (a total of 6 days
24 per year and 5,808 miles per year).

1 (7) The increase in work from 1969 to 1996,
2 the increase in hours mothers spend in paid work,
3 combined with a shift toward single-parent families
4 resulted in families on average experiencing a de-
5 crease of 22 hours a week (14 percent) in parental
6 time available outside of paid work they could spend
7 with their children.

8 (8) Companies with teleworking programs have
9 found that teleworking can boost employee produc-
10 tivity 5 percent to 20 percent.

11 (9) Today 60 percent of the workforce is in-
12 volved in information work (an increase of 43 per-
13 cent since 1990) allowing and encouraging decen-
14 tralization of paid work to occur.

15 (10) In recent years, studies performed in the
16 United States have shown a marked expansion of
17 teleworking, with an estimate of 19,000,000 Ameri-
18 cans teleworking by the year 2002, 5 times the
19 amount in 1990.

20 **SEC. 3. CREDIT FOR TELEWORKING.**

21 (a) IN GENERAL.—Subpart B of part IV of sub-
22 chapter A of chapter 1 of the Internal Revenue Code of
23 1986 (relating to foreign tax credit, etc.) is amended by
24 adding at the end the following new section:

1 **“SEC. 30B. TELEWORKING CREDIT.**

2 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
3 gible taxpayer, there shall be allowed as a credit against
4 the tax imposed by this chapter for the taxable year an
5 amount equal to the qualified teleworking expenses paid
6 or incurred by the taxpayer during such year.

7 “(b) MAXIMUM CREDIT.—

8 “(1) PER TELEWORKER LIMITATION.—The
9 credit allowed by subsection (a) for a taxable year
10 with respect to qualified teleworking expenses paid
11 or incurred by or on behalf of an individual tele-
12 worker shall not exceed \$500.

13 “(2) REDUCTION FOR TELEWORKING LESS
14 THAN FULL YEAR.—In the case of an individual who
15 is in a teleworking arrangement for less than a full
16 taxable year, the amount referred to paragraph (1)
17 shall be reduced by an amount which bears the same
18 ratio to \$500 as the number of months in which
19 such individual is not in a teleworking arrangement
20 bears to 12. For purposes of the preceding sentence,
21 an individual shall be treated as being in a tele-
22 working arrangement for a month if the individual
23 is subject to such arrangement for any day of such
24 month.

25 “(c) DEFINITIONS.—For purposes of this section—

1 “(1) ELIGIBLE TAXPAYER.—The term ‘eligible
2 taxpayer’ means—

3 “(A) in the case of an individual, an indi-
4 vidual who performs services for an employer
5 under a teleworking arrangement, and

6 “(B) in the case of an employer, an em-
7 ployer for whom employees perform services
8 under a teleworking arrangement.

9 “(2) TELEWORKING ARRANGEMENT.—The term
10 ‘teleworking arrangement’ means an arrangement
11 under which an employee teleworks for an employer
12 not less than 75 days per year.

13 “(3) QUALIFIED TELEWORKING EXPENSES.—
14 The term ‘qualified teleworking expenses’ means ex-
15 penses paid or incurred under a teleworking ar-
16 rangement for furnishings and electronic information
17 equipment which are used to enable an individual to
18 telework.

19 “(4) TELEWORK.—The term ‘telework’ means
20 to perform work functions, using electronic informa-
21 tion and communication technologies, thereby reduc-
22 ing or eliminating the physical commute to and from
23 the traditional worksite.

24 “(d) LIMITATION BASED ON AMOUNT OF TAX.—

1 “(1) LIABILITY FOR TAX.—The credit allowable
2 under subsection (a) for any taxable year shall not
3 exceed the excess (if any) of—

4 “(A) the regular tax for the taxable year,
5 reduced by the sum of the credits allowable
6 under subpart A and the preceding sections of
7 this subpart, over

8 “(B) the tentative minimum tax for the
9 taxable year.

10 “(2) CARRYFORWARD OF UNUSED CREDIT.—If
11 the amount of the credit allowable under subsection
12 (a) for any taxable year exceeds the limitation under
13 paragraph (1) for the taxable year, the excess shall
14 be carried to the succeeding taxable year and added
15 to the amount allowable as a credit under subsection
16 (a) for such succeeding taxable year.

17 “(e) SPECIAL RULES.—

18 “(1) BASIS REDUCTION.—The basis of any
19 property for which a credit is allowable under sub-
20 section (a) shall be reduced by the amount of such
21 credit (determined without regard to subsection (d)).

22 “(2) RECAPTURE.—The Secretary shall, by reg-
23 ulations, provide for recapturing the benefit of any
24 credit allowable under subsection (a) with respect to

1 any property which ceases to be property eligible for
2 such credit.

3 “(3) PROPERTY USED OUTSIDE UNITED
4 STATES, ETC., NOT QUALIFIED.—No credit shall be
5 allowed under subsection (a) with respect to any
6 property referred to in section 50(b) or with respect
7 to the portion of the cost of any property taken into
8 account under section 179.

9 “(4) ELECTION TO NOT TAKE CREDIT.—No
10 credit shall be allowed under subsection (a) for any
11 expense if the taxpayer elects to not have this sec-
12 tion apply with respect to such expense.

13 “(5) DENIAL OF DOUBLE BENEFIT.—No deduc-
14 tion or credit (other than under this section) shall
15 be allowed under this chapter with respect to any ex-
16 pense which is taken into account in determining the
17 credit under this section.”.

18 (b) TECHNICAL AMENDMENT.—Subsection (a) of
19 section 1016 of such Code is amended by striking “and”
20 at the end of paragraph (26), by striking the period at
21 the end of paragraph (27) and inserting “; and”, and by
22 adding at the end the following new paragraph:

23 “(28) to the extent provided in section 30B(e),
24 in the case of amounts with respect to which a credit
25 has been allowed under section 30B.”

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for subpart B of part IV of subchapter A of chapter 1
3 of such Code is amended by adding at the end the fol-
4 lowing new item:

“Sec. 30B. Teleworking credit.”

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to amounts paid or incurred after
7 the date of the enactment of this Act, in taxable years
8 ending after such date.

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