

106TH CONGRESS  
1ST SESSION

# H. R. 838

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.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 24, 1999

Mr. MORAN of Virginia (for himself, Mr. SALMON, Mr. SMITH of Washington, Mr. WOLF, Mrs. MALONEY of New York, Mr. CONYERS, and Mr. SHOWS) introduced the following bill; which was referred to the Committee on Ways and Means

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## 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

1 1986 (relating to business-related credits) is amended by  
2 adding at the end the following:

3 **“SEC. 45D. INFORMATION TECHNOLOGY TRAINING PRO-**  
4 **GRAM EXPENSES.**

5 “(a) GENERAL RULE.—For purposes of section 38,  
6 in the case of an employer, the information technology  
7 training program credit determined under this section is  
8 an amount equal to 20 percent of information technology  
9 training program expenses paid or incurred by the tax-  
10 payer during the taxable year.

11 “(b) ADDITIONAL CREDIT PERCENTAGE FOR CER-  
12 TAIN PROGRAMS.—The percentage under subsection (a)  
13 shall be increased by 5 percentage points for information  
14 technology training program expenses paid or incurred by  
15 the taxpayer with respect to a program operated—

16 “(1) in an empowerment zone or enterprise  
17 community designated under part I of subchapter U,

18 “(2) in a school district in which at least 50  
19 percent of the students attending schools in such  
20 district are eligible for free or reduced-cost lunches  
21 under the school lunch program established under  
22 the National School Lunch Act,

23 “(3) in an area designated as a disaster area by  
24 the Secretary of Agriculture or by the President  
25 under the Disaster Relief and Emergency Assistance

1 Act in the taxable year or the 4 preceding taxable  
2 years,

3 “(4) in a rural enterprise community designated  
4 under section 766 of the Agriculture, Rural Develop-  
5 ment, Food and Drug Administration, and Related  
6 Agencies Appropriations Act, 1999,

7 “(5) in an area designated by the Secretary of  
8 Agriculture as a Rural Economic Area Partnership  
9 Zone, or

10 “(6) by an employer who has 200 or fewer em-  
11 ployees for each working day in each of 20 or more  
12 calendar weeks in the current or preceding calendar  
13 year.

14 “(c) LIMITATION.—The amount of information tech-  
15 nology training program expenses with respect to an indi-  
16 vidual which may be taken into account under subsection  
17 (a) for the taxable year shall not exceed \$6,000.

18 “(d) INFORMATION TECHNOLOGY TRAINING PRO-  
19 GRAM EXPENSES.—For purposes of this section—

20 “(1) IN GENERAL.—The term ‘information  
21 technology training program expenses’ means ex-  
22 penses paid or incurred by reason of the participa-  
23 tion of the employer in any information technology  
24 training program.

1           “(2) INFORMATION TECHNOLOGY TRAINING  
2 PROGRAM.—The term ‘information technology train-  
3 ing program’ means a program—

4           “(A) for the training of computer program-  
5 mers, systems analysts, and computer scientists  
6 or engineers (as such occupations are defined  
7 by the Bureau of Labor Statistics),

8           “(B) involving a partnership of—

9           “(i) employers, and

10           “(ii) State training programs, school  
11 districts, university systems, or certified  
12 commercial information technology train-  
13 ing providers, and

14           “(C) at least 50 percent of the costs of  
15 which are paid or incurred by the employers.

16           “(3) CERTIFIED COMMERCIAL INFORMATION  
17 TECHNOLOGY TRAINING PROVIDER.—The term ‘cer-  
18 tified commercial information technology training  
19 providers’ means a private sector provider of edu-  
20 cational products and services utilized for training in  
21 information technology which is certified with re-  
22 spect to—

23           “(A) the curriculum that is used for the  
24 training, or

1                   “(B) the technical knowledge of the in-  
2                   structors of such provider,  
3           by 1 or more software publishers or hardware manu-  
4           facturers the products of which are a subject of the  
5           training.

6           “(e) DENIAL OF DOUBLE BENEFIT.—No deduction  
7   or credit under any other provision of this chapter shall  
8   be allowed with respect to information technology training  
9   program expenses (determined without regard to the limi-  
10   tation under subsection (c)).

11           “(f) ALLOCATIONS.—For purposes of this section,  
12   rules similar to the rules of section 41(f)(2) shall apply.”

13           (b) CREDIT TO BE PART OF GENERAL BUSINESS  
14   CREDIT.—Section 38(b) of the Internal Revenue Code of  
15   1986 (relating to current year business credit) is amended  
16   by striking “plus” at the end of paragraph (11), by strik-  
17   ing the period at the end of paragraph (12) and inserting  
18   “, plus”, and by adding at the end the following:

19                   “(13) the information technology training pro-  
20           gram credit determined under section 45D.”

21           (c) NO CARRYBACKS.—Subsection (d) of section 39  
22   of the Internal Revenue Code of 1986 (relating to  
23   carryback and carryforward of unused credits) is amended  
24   by adding at the end the following:

1           “(9) NO CARRYBACK OF SECTION 45D CREDIT  
2       BEFORE EFFECTIVE DATE.—No portion of the un-  
3       used business credit for any taxable year which is  
4       attributable to the information technology training  
5       program credit determined under section 45D may  
6       be carried back to a taxable year ending before the  
7       date of the enactment of section 45D.”

8       (d) CLERICAL AMENDMENT.—The table of sections  
9       for subpart D of part IV of subchapter A of chapter 1  
10      of the Internal Revenue Code of 1986 is amended by add-  
11      ing at the end the following:

          “Sec. 45D. Information technology training program expenses.”

12      (e) EFFECTIVE DATE.—The amendments made by  
13      this section shall apply to amounts paid or incurred after  
14      the date of enactment of this Act in taxable years ending  
15      after such date.

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