

106TH CONGRESS
1ST SESSION

H. R. 857

To amend the Internal Revenue Code of 1986 to allow employers a 200 percent deduction for amounts paid or incurred for training employees.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 25, 1999

Mr. CAMPBELL 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 200 percent deduction for amounts paid or incurred for training employees.

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. ENHANCED DEDUCTION FOR EMPLOYEE**
4 **TRAINING COSTS.**

5 (a) IN GENERAL.—Section 162 of the Internal Reve-
6 nue Code of 1986 (relating to trade or business expenses)
7 is amended by redesignating subsection (p) as subsection
8 (q) and inserting after subsection (o) the following new
9 subsection:

1 “(p) EMPLOYEE TRAINING COSTS.—In the case of an
2 employer, the amount of the deduction allowed under this
3 section for training an employee shall be 200 percent of
4 the amount allowable under this section (determined with-
5 out regard to this subsection) for such training.”.

6 (b) REVENUE OFFSET.—

7 (1) MODIFICATION OF RATES OF CORPORATE
8 TAX.—The Secretary of the Treasury shall prescribe
9 rates of tax under section 11 of the Internal Reve-
10 nue Code of 1986 (relating to tax imposed on cor-
11 porations) which result in a net increase in revenues
12 for a taxable year equal to the net decrease in reve-
13 nues for that year as a result of the amendment
14 made by subsection (a).

15 (2) ESTIMATES AND SUBSEQUENT ADJUST-
16 MENTS.—The rates of tax prescribed under para-
17 graph (1) shall be determined on the basis of esti-
18 mates made by the Secretary of the Treasury. Ad-
19 justments shall be made in such rates for succeeding
20 taxable years to the extent prior estimates resulted
21 in revenues which were in excess of or less than the
22 revenues required under paragraph (1).

1 (c) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall apply with respect to amounts paid
3 or incurred after December 31, 1999.

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