

106TH CONGRESS  
1ST SESSION

# S. 456

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 SENATE OF THE UNITED STATES

FEBRUARY 24, 1999

Mr. CONRAD (for himself, Mrs. FEINSTEIN, Mr. DASCHLE, Mr. JOHNSON, Mr. REID, Mr. SARBANES, Mrs. BOXER, Ms. SNOWE, Mr. ROBB, Mrs. MURRAY, and Mr. ROCKEFELLER) introduced the following bill; which was read twice and referred to the Committee on Finance

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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—

15 “(1) by the taxpayer with respect to a program  
 16 operated in—

17 “(A) an empowerment zone or enterprise  
 18 community designated under part I of sub-  
 19 chapter U,

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

1           “(C) an area designated as a disaster area  
 2           by the Secretary of Agriculture or by the Presi-  
 3           dent under the Disaster Relief and Emergency  
 4           Assistance Act in the taxable year or the 4 pre-  
 5           ceding taxable years,

6           “(D) a rural enterprise community des-  
 7           ignated under section 766 of the Agriculture,  
 8           Rural Development, Food and Drug Adminis-  
 9           tration, and Related Agencies Appropriations  
 10          Act, 1999, or

11          “(E) an area designated by the Secretary  
 12          of Agriculture as a Rural Economic Area Part-  
 13          nership Zone, or

14          “(2) by a small employer.

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

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

21                 “(1) IN GENERAL.—The term ‘information  
 22                 technology training program expenses’ means ex-  
 23                 penses paid or incurred by reason of the participa-  
 24                 tion of the employer in any information technology  
 25                 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 is 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) SMALL EMPLOYER.—For purposes of this sec-  
7   tion, the term ‘small employer’ means, with respect to any  
8   calendar year, any employer if such employer employed  
9   200 or fewer employees on each business day in each of  
10   20 or more calendar weeks in such year or the preceding  
11   calendar year.

12           “(f) DENIAL OF DOUBLE BENEFIT.—No deduction  
13   or credit under any other provision of this chapter shall  
14   be allowed with respect to information technology training  
15   program expenses (determined without regard to the limi-  
16   tation under subsection (c)).

17           “(g) CERTAIN RULES MADE APPLICABLE.—For pur-  
18   poses of this section, rules similar to the rules of section  
19   45A(e)(2) and subsections (c), (d), and (e) of section 52  
20   shall apply.”

21           (b) CREDIT TO BE PART OF GENERAL BUSINESS  
22   CREDIT.—Section 38(b) of the Internal Revenue Code of  
23   1986 (relating to current year business credit) is amended  
24   by striking “plus” at the end of paragraph (11), by strik-

1 ing the period at the end of paragraph (12) and inserting  
 2 “, plus”, and by adding at the end the following:

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

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

9 “(9) NO CARRYBACK OF SECTION 45D CREDIT  
 10 BEFORE EFFECTIVE DATE.—No portion of the un-  
 11 used business credit for any taxable year which is  
 12 attributable to the information technology training  
 13 program credit determined under section 45D may  
 14 be carried back to a taxable year ending before the  
 15 date of the enactment of section 45D.”

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

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

20 (e) EFFECTIVE DATE.—The amendments made by  
 21 this section shall apply to amounts paid or incurred after  
 22 the date of enactment of this Act in taxable years ending  
 23 after such date.

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