

108TH CONGRESS
2D SESSION

H. R. 5254

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for the costs of providing technical training for employees.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2004

Mr. DAVIS of Florida (for himself, Mr. KIND, Mr. SMITH of Washington, Mr. BLUMENAUER, Mr. CHANDLER, Mr. DAVIS of Alabama, Mrs. DAVIS of California, Mr. DOOLEY of California, Mr. ETHERIDGE, Mr. FORD, Ms. HOOLEY of Oregon, Mr. LARSEN of Washington, Mr. MORAN of Virginia, Mrs. NAPOLITANO, Mr. PRICE of North Carolina, and Mr. SNYDER) 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 the costs of providing technical training for 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. SHORT TITLE.**

4 This Act may be cited as the “Up-Skilling Tax Credit
5 Act of 2004”.

1 **SEC. 2. CREDIT TO EMPLOYERS FOR COST OF TECHNICAL**
2 **TRAINING FOR EMPLOYEES.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to business-related credits) is amended by
6 adding at the end the following new section:

7 **“SEC. 45G. EXPENSES FOR TECHNICAL TRAINING OF EM-**
8 **PLOYEES.**

9 “(a) GENERAL RULE.—For purposes of section 38,
10 the employee technical training credit determined under
11 this section for the taxable year is an amount equal to
12 20 percent of the amount paid or incurred by the taxpayer
13 for technical training for employees performing services in
14 a trade or business of the taxpayer.

15 “(b) LIMITATIONS.—

16 “(1) ONLY JANUARY 1, 2004 EMPLOYEES.—The
17 credit determined under this section shall apply only
18 to training for individuals who were employees of the
19 taxpayer on January 1, 2004.

20 “(2) PER EMPLOYEE LIMIT.—The credit deter-
21 mined under this section with respect to each em-
22 ployee for the taxable year shall not exceed \$1,000,
23 reduced by the credit determined under this section
24 with respect to such employee for all prior taxable
25 years.

1 “(3) TRAINING MUST LEAD TO RECOGNIZED
2 CERTIFICATE.—Only costs for training leading to an
3 industry-recognized license or certificate may be
4 taken into account under this section.

5 “(c) CERTAIN RULES TO APPLY.—Rules similar to
6 the rules of section 51(i)(1) and 52 shall apply for pur-
7 poses of this section.

8 “(d) TERMINATION.—This section shall not apply to
9 taxable years beginning after December 31, 2008.”.

10 (b) CREDIT MADE PART OF GENERAL BUSINESS
11 CREDIT.—Subsection (b) of section 38 of such Code is
12 amended by striking “plus” at the end of paragraph (14),
13 by striking the period at the end of paragraph (15) and
14 inserting “, plus”, and by adding at the end the following
15 new paragraph:

16 “(16) the employee technical training credit de-
17 termined under section 45G(a).”.

18 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
19 such Code is amended by adding at the end the following
20 new subsection:

21 “(d) EMPLOYEE TECHNICAL TRAINING CREDIT.—
22 No deduction shall be allowed for that portion of the ex-
23 penses otherwise allowable as a deduction for the taxable
24 year which is equal to the amount of the credit determined
25 for the taxable year under section 45G(a).”.

1 (d) CLERICAL AMENDMENT.—The table of sections
2 for subpart D 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. 45G. Expenses for technical training of employees.”.

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

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