

108TH CONGRESS
2D SESSION

H. R. 5366

To amend the Internal Revenue Code of 1986 to provide employers a double deduction of certain employee training expenses.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 16, 2004

Mr. FOLEY 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 provide employers a double deduction of certain employee training expenses.

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. DOUBLE DEDUCTION OF CERTAIN EMPLOYEE**
4 **TRAINING EXPENSES.**

5 (a) IN GENERAL.—Part VI of subchapter B of chap-
6 ter 1 of the Internal Revenue Code of 1986 (relating to
7 itemized deductions for individuals and corporations) is
8 amended by adding at the end the following new section:

1 **“SEC. 200. DOUBLE DEDUCTION OF CERTAIN EMPLOYEE**
 2 **TRAINING EXPENSES.**

3 “(a) IN GENERAL.—There is allowed as a deduction
 4 amounts paid or incurred by the taxpayer during the tax-
 5 able year for the training of employees of such taxpayer
 6 if—

7 “(1) such amounts are also deductible by the
 8 taxpayer for such taxable year as ordinary and nec-
 9 essary business expenses under section 162(a), and

10 “(2) such training constitutes—

11 “(A) an apprenticeship program recognized
 12 and certified by the Secretary of Labor under
 13 section 1 of the National Apprenticeship Act
 14 (29 U.S.C. 50), or

15 “(B) a program licensed, registered, or
 16 certified by a State.

17 “(b) LIMITATION BASED ON WAGES.—No deduction
 18 shall be allowed under this section to any taxpayer for any
 19 taxable year unless the amount of the deduction which
 20 would (but for this subsection) be so allowed equals or
 21 exceeds 1 percent of the total wages paid or incurred by
 22 such employer for such taxable year.”.

23 (b) CLERICAL AMENDMENT.—The table of sections
 24 for part VI of subchapter B of chapter 1 of such Code
 25 is amended by adding at the end the following new item:

“Sec. 200. Double deduction of certain employee training expenses.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to expenses paid or incurred in
3 taxable years ending after the date of the enactment of
4 this Act.

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