

109TH CONGRESS  
1ST SESSION

# H. R. 2008

To amend the Internal Revenue Code of 1986 to allow a business credit  
for donations for vocational educational purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mr. POMBO 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 a  
business credit for donations for vocational educational  
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. SHORT TITLE.**

4       This Act may be cited as the “Public Private Voca-  
5       tional Partnership Act of 2005”.

### 6   **SEC. 2. DONATIONS TO SECONDARY SCHOOLS AND COMMU-** 7                   **NITY COLLEGES FOR VOCATIONAL EDU-** 8                   **CATION PURPOSES.**

9       (a) IN GENERAL.—Subpart D of part IV of sub-  
10      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 new section:

3 **“SEC. 45J. DONATIONS TO SECONDARY SCHOOLS AND COM-**  
 4 **MUNITY COLLEGES FOR VOCATIONAL EDU-**  
 5 **CATION PURPOSES.**

6 “(a) GENERAL RULE.—For purposes of section 38,  
 7 in the case of a corporation (as defined in section  
 8 170(e)(4)(D)), the vocational education donation credit  
 9 determined under this section for the taxable year is an  
 10 amount equal to the sum of—

11 “(1) 90 percent of the fair market value of  
 12 qualified property donations made during the tax-  
 13 able year, plus

14 “(2) the aggregate of the intern credit amounts.

15 “(b) LIMITATIONS.—

16 “(1) QUALIFIED PROPERTY DONATIONS.—The  
 17 amount allowed as a credit under subsection (a)(1)  
 18 shall not exceed \$50,000.

19 “(2) INTERN CREDIT AMOUNT.—

20 “(A) IN GENERAL.—The amount allowed  
 21 as a credit under subsection (a)(2) with respect  
 22 to a qualified intern shall be the amount equal  
 23 to \$100 multiplied by the number of months  
 24 during the taxable year in which the intern was  
 25 an employee of the taxpayer.

1                   “(B) AGGREGATE PER INTERN CREDIT  
2                   AMOUNTS.—The aggregate amount allowed to  
3                   the taxpayer as a credit under subsection (a)(2)  
4                   for the taxable year shall not exceed \$6,000.

5                   “(c) QUALIFIED PROPERTY DONATIONS.—For pur-  
6                   poses of this section, the term ‘qualified property dona-  
7                   tions’ means a charitable contribution (as defined in sec-  
8                   tion 170(c)) of tangible personal property if—

9                   “(1) the contribution is to an educational orga-  
10                  nization described in section 170(b)(1)(A)(ii) which  
11                  is a secondary school or community college,

12                  “(2) substantially all of the use of the property  
13                  by the donee is for use within the United States for  
14                  educational purposes that are related to the purpose  
15                  or function of the donee,

16                  “(3) the property is not transferred by the  
17                  donee in exchange for money, other property, or  
18                  services, except for shipping, installation and trans-  
19                  fer costs,

20                  “(4) the property will fit productively into the  
21                  donee’s education plan,

22                  “(5) the donee’s use and disposition of the  
23                  property will be in accordance with the provisions of  
24                  paragraphs (2), (3), and (4), and

1           “(6) the property meets such standards, if any,  
2           as the Secretary may prescribe by regulation to as-  
3           sure that the property meets minimum functionality  
4           and suitability standards for educational purposes.

5           “(d) QUALIFIED INTERN.—For purposes of this sec-  
6           tion—

7           “(1) IN GENERAL.—The term ‘qualified intern’  
8           means an individual—

9                   “(A) who is enrolled full-time as a student  
10                  in a secondary school or community college, and

11                  “(B) who is employed for not more than  
12                  20 hours per week by the taxpayer as part of  
13                  a vocational education course approved by such  
14                  school or college.

15           “(2) SECONDARY SCHOOL.—The term ‘sec-  
16           ondary school’ means a secondary school (as defined  
17           by section 9101(38) of the Elementary and Sec-  
18           ondary Education Act of 1965 (20 U.S.C. 7801(38))  
19           which offers a program of education in vocational  
20           education.

21           “(3) COMMUNITY COLLEGE.—The term ‘com-  
22           munity college’ means a public or nonprofit private  
23           postsecondary regionally accredited institution that  
24           provides not less than a 2-year program of instruc-  
25           tion that is acceptable for full credit toward a bach-

1        elor’s degree at an accredited institution and whose  
 2        highest degree offered is predominantly the associate  
 3        degree.

4        “(e) AGGREGATION RULE.—For purposes of sub-  
 5        section (b), all persons treated as a single employer under  
 6        subsection (a) or (b) of section 52 or subsection (n) or  
 7        (o) of section 414 shall be treated as one person.

8        “(f) COORDINATION WITH SECTION 170(b).—The  
 9        limitation which would (but for this subsection) apply  
 10       under section 170(b) for any taxable year shall be reduced  
 11       (but not below zero) by the fair market value of property  
 12       taken into account in determining the credit allowed under  
 13       subsection (a)(1) for such year.”.

14       (b) CREDIT TO BE PART OF GENERAL BUSINESS  
 15       CREDIT.—Subsection (b) of section 38 of such Code (re-  
 16       lating to general business credit) is amended by striking  
 17       “plus” at the end of paragraph (18), by striking the period  
 18       at the end of paragraph (19) and inserting “, plus”, and  
 19       by adding at the end the following new paragraph:

20                “(20) in the case of a corporation (as defined  
 21       in section 170(e)(4)(D)), the vocational education  
 22       donation credit determined under section 45J(a).”.

23       (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of  
 24       such Code (relating to certain expenses for which credits

1 are allowable) is amended by adding at the end the fol-  
 2 lowing new subsection:

3       “(e) VOCATIONAL EDUCATION DONATIONS.—The de-  
 4 duction otherwise allowed for amounts taken into account  
 5 under section 45J shall be reduced by the amount of the  
 6 credit determined under section 45J(a) with respect to  
 7 such amounts.”.

8       (d) CONFORMING AMENDMENT.—The table of sec-  
 9 tions for subpart D of part IV of subchapter A of chapter  
 10 1 of such Code is amended by inserting after the item  
 11 relating to section 45I the following new item:

“Sec. 45J. Donations to secondary schools and community colleges for voca-  
 tional education purposes.”.

12       (e) EFFECTIVE DATE.—The amendments made by  
 13 this section shall apply to taxable years beginning after  
 14 December 31, 2004.

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