

109TH CONGRESS
1ST SESSION

H. R. 4325

To amend the Internal Revenue Code of 1986 to allow a credit against income for certain education and training expenses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2005

Mr. WELLER (for himself, Mr. HONDA, Mr. DOOLITTLE, and Mr. SWEENEY) 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 a credit against income for certain education and training expenses, 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. SHORT TITLE.**

4 This Act may be cited as the “Technology Retraining
5 and Investment Now Act for the 21st Century”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—The Congress hereby finds the fol-
8 lowing:

1 (1) The value added by workers in the United
2 States and in other countries is increasingly a func-
3 tion of the aggregate knowledge acquired by workers
4 through the aggregate educational and training in-
5 vestments of both governments and businesses.

6 (2) The aggregate investment by governments
7 of many of the trading partners of the United States
8 in the education and training of knowledge workers
9 in those countries has exceeded the aggregate per-
10 worker investment by Federal, State, and local gov-
11 ernments in the United States.

12 (3) The disparity is evidenced by the declining
13 educational performance of students in the United
14 States compared to their counterparts in other coun-
15 tries.

16 (4) In an increasingly global and competitive
17 marketplace it is becoming increasingly difficult for
18 United States-based businesses to fund worker edu-
19 cation and training that is provided at no cost for
20 similar workers in other countries by their govern-
21 ments.

22 (5) The current global workforce environment
23 creates increasing competitive pressures on domestic
24 companies to utilize highly educated knowledge
25 workers in other countries.

1 (6) It is in the interest of the United States
2 government, national security, the preservation of a
3 strong middle class, and the welfare of our Nation's
4 workers to reverse this trend in a fashion that is
5 consistent with trade obligations and the ability of
6 domestic companies to compete globally.

7 (7) Public-private partnerships work well in the
8 United States to advance the needs of our citizens,
9 businesses and communities. The research and de-
10 velopment tax credit under section 41 of the Internal
11 Revenue Code of 1986 is just one example of maxi-
12 mizing the use of each sector's strength, reducing
13 development risk and public capital investment, and
14 improving cost effectiveness.

15 (8) Businesses are most adept at training our
16 workforce because they train employees for available
17 jobs, develop and utilize new training methods, and
18 eliminate ineffective trainers and training programs.

19 (9) With a substantial number of baby boomers
20 retiring over the next 20 years, the United States
21 has to ensure that it is capable of training its work-
22 force for the high paying information and commu-
23 nications technology jobs, whose payroll contribu-
24 tions will help support the benefit programs of these
25 retirees, as well as providing incentives to help ma-

1 ture workers retrain for new jobs after they retire,
2 if they desire.

3 (b) PURPOSES.—

4 (1) It is the purpose of this Act to encourage
5 businesses and individuals to support the edu-
6 cational development of knowledge workers in the
7 United States by providing incentives for informa-
8 tion and communications technology education and
9 training investments, for workers requiring the use
10 of those skills in professions such as information or
11 communications technology, engineering, manufac-
12 turing and other fields, and for other purposes.

13 (2) By encouraging employers to train more in-
14 cumbent workers and potential employees in the
15 areas necessary to expand and maintain their busi-
16 nesses, the United States will better utilize available
17 training dollars and maximize the ability of newly
18 trained individuals to utilize their acquired skills.

19 **SEC. 3. CREDIT FOR INFORMATION AND COMMUNICATIONS**
20 **TECHNOLOGY EDUCATION AND TRAINING**
21 **PROGRAM EXPENSES.**

22 (a) IN GENERAL.—Subpart B of part IV of sub-
23 chapter A of chapter 1 of the Internal Revenue Code of
24 1986 is amended by adding at the end the following:

1 **“SEC. 30D. INFORMATION AND COMMUNICATIONS TECH-**
2 **NOLOGY EDUCATION AND TRAINING PRO-**
3 **GRAM EXPENSES.**

4 “(a) ALLOWANCE OF CREDIT.—

5 “(1) IN GENERAL.—There shall be allowed as a
6 credit against the tax imposed by this chapter for
7 the taxable year an amount equal to 50 percent of
8 information and communications technology edu-
9 cation and training program expenses paid or in-
10 curred by the taxpayer for the benefit of—

11 “(A) in the case of a taxpayer engaged in
12 a trade or business, an employee of the tax-
13 payer, or

14 “(B) in the case of a taxpayer who is an
15 individual not so engaged, such individual.

16 “(2) COORDINATION OF CREDITS.—Credit shall
17 be allowable to the employer with respect to an em-
18 ployee only to the extent that the employee assigns
19 some or all of the limitation applicable to such em-
20 ployee under subsection (b) to such employer.

21 “(b) LIMITATIONS.—

22 “(1) IN GENERAL.—The amount of expenses
23 with respect to any individual which may be taken
24 into account under subsection (a) for the taxable
25 year shall not exceed \$4,000.

1 “(2) INCREASE IN CREDIT AMOUNT FOR PAR-
2 TICIPATION IN CERTAIN PROGRAMS AND FOR CER-
3 TAIN INDIVIDUALS.—Paragraph (1) shall be applied
4 by substituting ‘\$5,000’ for ‘\$4,000’ in the case of
5 expenses—

6 “(A) with respect to a program operated—

7 “(i) in an empowerment zone or en-
8 terprise community designated under part
9 I of subchapter U or a renewal community
10 designated under part I of subchapter X,

11 “(ii) in a school district in which at
12 least 50 percent of the students attending
13 schools in such district are eligible for free
14 or reduced-cost lunches under the school
15 lunch program established under the Rich-
16 ard B. Russell National School Lunch Act,

17 “(iii) in an area designated as a dis-
18 aster area by the Secretary of Agriculture
19 under section 321 of the Consolidated
20 Farm and Rural Development Act or by
21 the President under the Robert T. Stafford
22 Disaster Relief and Emergency Assistance
23 Act in the taxable year or the 4 preceding
24 taxable years,

1 “(iv) in a rural enterprise community
2 designated under section 766 of the Agri-
3 culture, Rural Development, Food and
4 Drug Administration, and Related Agen-
5 cies Appropriations Act, 1999 (112 Stat.
6 2681–37),

7 “(v) in an area designated by the Sec-
8 retary of Agriculture as a Rural Economic
9 Area Partnership Zone,

10 “(vi) in an area over which an Indian
11 tribal government (as defined in section
12 7701(a)(40)) has jurisdiction, or

13 “(vii) by an employer who has 200 or
14 fewer employees for each business day in
15 each of 20 or more calendar weeks in the
16 current or preceding calendar year, or

17 “(B) in the case of an individual with a
18 disability.

19 “(c) INFORMATION TECHNOLOGY EDUCATION AND
20 TRAINING PROGRAM EXPENSES.—For purposes of this
21 section—

22 “(1) IN GENERAL.—The term ‘information
23 technology education and training program expenses’
24 means expenses paid or incurred by reason of the
25 participation of the taxpayer (or any employee of the

1 taxpayer) in any information and communications
2 technology education and training program. Such ex-
3 penses shall include expenses paid in connection
4 with—

5 “(A) course work,

6 “(B) certification testing,

7 “(C) programs carried out under the Act
8 of August 16, 1937 (50 Stat. 664, chapter 663;
9 29 U.S.C. 50 et seq.) which are registered by
10 the Department of Labor, and

11 “(D) other expenses that are essential to
12 assessing skill acquisition.

13 “(2) INFORMATION TECHNOLOGY EDUCATION
14 AND TRAINING PROGRAM.—The term ‘information
15 technology education and training program’ means a
16 training program in information and communica-
17 tions technology workplace disciplines or other skill
18 sets which is provided in the United States by an ac-
19 credited college, university, private career school,
20 postsecondary educational institution, a commercial
21 information technology provider, or an employer-
22 owned information technology training organization.

23 “(3) COMMERCIAL INFORMATION TECHNOLOGY
24 TRAINING PROVIDER.—The term ‘commercial infor-
25 mation technology training provider’ means a private

1 sector organization providing an information and
2 communications technology education and training
3 program.

4 “(4) EMPLOYER-OWNED INFORMATION TECH-
5 NOLOGY TRAINING ORGANIZATION.—The term ‘em-
6 ployer-owned information technology training organi-
7 zation’ means a private sector organization that pro-
8 vides information technology training to its employ-
9 ees using internal training development and delivery
10 personnel. The training programs must use industry-
11 recognized training disciplines and evaluation meth-
12 ods, comparable to institutional and commercial
13 training providers.

14 “(d) DENIAL OF DOUBLE BENEFIT.—

15 “(1) DISALLOWANCE OF OTHER CREDITS AND
16 DEDUCTIONS.—No deduction or credit shall be al-
17 lowed under any other provision of this chapter for
18 expenses taken into account in determining the cred-
19 it under this section.

20 “(2) REDUCTION FOR HOPE AND LIFETIME
21 LEARNING CREDITS.—The amount taken into ac-
22 count under subsection (a) shall be reduced by the
23 information technology education and training pro-
24 gram expenses taken into account in determining the
25 credits under section 25A.

1 “(e) CERTAIN RULES MADE APPLICABLE.—For pur-
 2 poses of this section, rules similar to the rules of section
 3 45A(e)(2) and subsections (c), (d), and (e) of section 52
 4 shall apply.

5 “(f) APPLICATION WITH OTHER CREDITS.—The
 6 credit allowed by subsection (a) for any taxable year shall
 7 not exceed the excess (if any) of—

8 “(1) the regular tax for the taxable year re-
 9 duced by the sum of the credits allowable under the
 10 subpart A and the previous sections of this subpart,
 11 over

12 “(2) the tentative minimum tax for the taxable
 13 year.”.

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

“Sec. 30D. Information and communications technology education and training
 program expenses.”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall apply to amounts paid or incurred in tax-
 20 able years beginning after December 31, 2005.

21 **SEC. 4. ELIGIBLE EDUCATIONAL INSTITUTION.**

22 (a) IN GENERAL.—Section 25A(f)(2) of the Internal
 23 Revenue Code of 1986 (relating to eligible educational in-
 24 stitution) is amended to read as follows:

1 (b) MEMBERSHIP.—The Board shall be composed of
2 not more than seven members appointed by the Secretary
3 of the Treasury from among individuals—

4 (1) associated with information technology cer-
5 tification and training associations and businesses;
6 and

7 (2) who are not officers or employees of the
8 Federal Government.

9 (c) MEETINGS.—The Board shall meet not less often
10 than annually.

11 (d) CHAIRPERSON.—

12 (1) IN GENERAL.—Subject to paragraph (2),
13 the Board shall elect a Chairperson from among its
14 members.

15 (2) CHAIRPERSON.—The chairperson shall be
16 an individual who is a member of an information
17 technology industry trade association.

18 (e) DUTIES.—The Board shall develop guidelines for
19 computer science, information technology and directly re-
20 lated subjects for the college courses, and a list of the in-
21 formation technology training and certifications that qual-
22 ify for the credit under section 30D of the Internal Rev-
23 enue Code of 1986, for approval by the Secretary of the
24 Treasury.

1 (f) SUBMISSION OF LIST.—Not later than October 1,
2 2006, and each year thereafter, the Board shall submit
3 the list required under subsection (e) to the Secretary of
4 the Treasury.

5 (g) BOARD PERSONNEL MATTERS.—

6 (1) COMPENSATION OF MEMBERS.—Each mem-
7 ber of the Board shall serve without compensation.

8 (2) TRAVEL EXPENSES.—Each member of the
9 Board shall be allowed travel expenses, including per
10 diem in lieu of subsistence, at rates authorized for
11 employees of agencies under subchapter I of chapter
12 57 of title 5, United States Code, while away from
13 their homes or regular places of business in the per-
14 formance of services for the Board.

15 (h) TERMINATION OF THE BOARD.—Section 14(b) of
16 the Federal Advisory Committee Act (5 U.S.C. App.) shall
17 not apply to the Board.

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