

110TH CONGRESS
1ST SESSION

H. R. 37

To amend the Internal Revenue Code of 1986 to encourage businesses to improve math and science education at elementary and secondary schools.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 4, 2007

Mr. EHLERS 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 encourage businesses to improve math and science education at elementary and secondary schools.

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 “National Science Edu-
5 cation Tax Incentive for Businesses Act of 2007”.

1 **SEC. 2. CREDITS FOR CERTAIN CONTRIBUTIONS BENE-**
2 **FITING SCIENCE, TECHNOLOGY, ENGINEER-**
3 **ING, AND MATHEMATICS EDUCATION AT THE**
4 **ELEMENTARY AND SECONDARY SCHOOL**
5 **LEVEL.**

6 (a) **IN GENERAL.**—Subpart D of part IV of sub-
7 chapter A of chapter 1 of the Internal Revenue Code of
8 1986 (relating to business related credits) is amended by
9 adding at the end the following new section:

10 **“SEC. 450. CONTRIBUTIONS BENEFITING SCIENCE, TECH-**
11 **NOLOGY, ENGINEERING, AND MATHEMATICS**
12 **EDUCATION AT THE ELEMENTARY AND SEC-**
13 **ONDARY SCHOOL LEVEL.**

14 “(a) **IN GENERAL.**—For purposes of section 38, the
15 elementary and secondary science, technology, engineer-
16 ing, and mathematics (STEM) contributions credit deter-
17 mined under this section for the taxable year is an amount
18 equal to 100 percent of the qualified STEM contributions
19 of the taxpayer for such taxable year.

20 “(b) **QUALIFIED STEM CONTRIBUTIONS.**—For pur-
21 poses of this section, the term ‘qualified STEM contribu-
22 tions’ means—

23 “(1) STEM school contributions,
24 “(2) STEM teacher externship expenses, and
25 “(3) STEM teacher training expenses.

1 “(c) STEM SCHOOL CONTRIBUTIONS.—For pur-
2 poses of this section—

3 “(1) IN GENERAL.—The term ‘STEM school
4 contributions’ means—

5 “(A) STEM property contributions, and
6 “(B) STEM service contributions.

7 “(2) STEM PROPERTY CONTRIBUTIONS.—The
8 term ‘STEM property contributions’ means the
9 amount which would (but for subsection (f)) be al-
10 lowed as a deduction under section 170 for a chari-
11 table contribution of STEM inventory property if—

12 “(A) the donee is an elementary or sec-
13 ondary school described in section
14 170(b)(1)(A)(ii),

15 “(B) substantially all of the use of the
16 property by the donee is within the United
17 States or within the defense dependents’ edu-
18 cation system for educational purposes in any
19 of the grades K–12 that are related to the pur-
20 pose or function of the donee,

21 “(C) the original use of the property be-
22 gins with the donee,

23 “(D) the property will fit productively into
24 the donee’s education plan,

1 “(E) the property is not transferred by the
2 donee in exchange for money, other property, or
3 services, except for shipping, installation and
4 transfer costs, and

5 “(F) the donee’s use and disposition of the
6 property will be in accordance with the provi-
7 sions of subparagraphs (B) and (E).

8 The determination of the amount of deduction under
9 section 170 for purposes of this paragraph shall be
10 made as if the limitation under section 170(e)(3)(B)
11 applied to all STEM inventory property.

12 “(3) STEM SERVICE CONTRIBUTIONS.—The
13 term ‘STEM service contributions’ means the
14 amount paid or incurred during the taxable year for
15 STEM services provided in the United States or in
16 the defense dependents’ education system for the ex-
17 clusive benefit of students at an elementary or sec-
18 ondary school described in section 170(b)(1)(A)(ii)
19 but only if—

20 “(A) the taxpayer is engaged in the trade
21 or business of providing such services on a com-
22 mercial basis, and

23 “(B) no charge is imposed for providing
24 such services.

1 “(4) STEM INVENTORY PROPERTY.—The term
2 ‘STEM inventory property’ means, with respect to
3 any contribution to a school, any property—

4 “(A) which is described in paragraph (1)
5 or (2) of section 1221(a) with respect to the
6 donor, and

7 “(B) which is determined by the school to
8 be needed by the school in providing education
9 in grades K–12 in the areas of science, tech-
10 nology, engineering, or mathematics.

11 “(5) STEM SERVICES.—The term ‘STEM serv-
12 ices’ means, with respect to any contribution to a
13 school, any service determined by the school to be
14 needed by the school in providing education in
15 grades K–12 in the areas of science, technology, en-
16 gineering, or mathematics, including teaching
17 courses of instruction at such school in any such
18 area.

19 “(6) DEFENSE DEPENDENTS’ EDUCATION SYS-
20 TEM.—For purposes of this subsection, the term ‘de-
21 fense dependents’ education system’ means the pro-
22 gram established and operated under the Defense
23 Dependents’ Education Act of 1978 (20 U.S.C. 921
24 et seq.).

1 “(d) STEM TEACHER EXTERNSHIP EXPENSES.—

2 For purposes of this section—

3 “(1) IN GENERAL.—The term ‘STEM teacher
4 externship expenses’ means any amount paid or in-
5 curred to carry out a STEM externship program of
6 the taxpayer but only to the extent that such
7 amount is attributable to the participation in such
8 program of any eligible STEM teacher, including
9 amounts paid to such a teacher as a stipend while
10 participating in such program.

11 “(2) STEM EXTERNSHIP PROGRAM.—The term
12 ‘STEM externship program’ means any program—

13 “(A) established by a taxpayer engaged in
14 a trade or business within an area of science,
15 technology, engineering, or mathematics, and

16 “(B) under which eligible STEM teachers
17 receive training to enhance their teaching skills
18 in the areas of science, technology, engineering,
19 or mathematics or otherwise improve their
20 knowledge in such areas.

21 “(3) ELIGIBLE STEM TEACHER.—The term ‘eli-
22 gible STEM teacher’ means any individual—

23 “(A) who is a teacher in grades K–12 at
24 an educational organization described in section
25 170(b)(1)(A)(ii) which is located in the United

1 States or which is located on a United States
2 military base outside the United States, and

3 “(B) whose teaching responsibilities at
4 such school include, or are likely to include, any
5 course in the areas of science, technology, engi-
6 neering, or mathematics.

7 “(e) STEM TEACHER TRAINING EXPENSES.—The
8 term ‘STEM teacher training expenses’ means any
9 amount paid or incurred by a taxpayer engaged in a trade
10 or business within an area of science, technology, engi-
11 neering, or mathematics which is attributable to the par-
12 ticipation of any eligible STEM teacher in a regular train-
13 ing program provided to employees of the taxpayer which
14 is determined by such teacher’s school as enhancing such
15 teacher’s teaching skills in the areas of science, tech-
16 nology, engineering, or mathematics.

17 “(f) DENIAL OF DOUBLE BENEFIT.—No deduction
18 shall be allowed under this chapter for any amount allowed
19 as a credit under this section.”.

20 (b) CONFORMING AMENDMENTS.—

1 “(32) the elementary and secondary science,
2 technology, engineering, and mathematics (STEM)
3 contributions credit determined under section 45O.”.

4 (2) The table of sections for subpart D of part
5 IV of subchapter A of chapter 1 of such Code is
6 amended by adding at the end the following new
7 item:

“Sec. 45O. Contributions benefiting science, technology, engineering, and mathematics education at the elementary and secondary school level.”.

8 (c) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to taxable years beginning after
10 the date of the enactment of this Act.

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