

111TH CONGRESS
1ST SESSION

H. R. 3627

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for the cost of teleworking equipment and expenses in rural and small town America.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 22, 2009

Mr. PERRIELLO 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 cost of teleworking equipment and expenses in rural and small town America.

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 “Rural and Small Town
5 Telework Tax Credit Act of 2009”.

1 **SEC. 2. EMPLOYER CREDIT FOR TELEWORKING EQUIP-**
2 **MENT AND EXPENSES.**

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. 45R. TELEWORKING EQUIPMENT CREDIT.**

8 “(a) IN GENERAL.—In the case of an employer, the
9 teleworking credit determined under this section is an
10 amount equal to—

11 “(1) the cost of qualified teleworking equipment
12 placed in service by the taxpayer during the taxable
13 year, and

14 “(2) the amount of expenses paid or incurred
15 by the taxpayer during the taxable year to maintain
16 qualified teleworking equipment.

17 “(b) LIMITATION.—The credit determined under this
18 section for a taxable year shall not exceed the lesser of—

19 “(1) \$1,000 with respect to each qualified tele-
20 working employee of the employer, or

21 “(2) \$50,000.

22 “(c) DEFINITIONS.—For purposes of this section—

23 “(1) QUALIFIED TELEWORKING EQUIPMENT.—

24 The term ‘qualified teleworking equipment’ means
25 telecommunication equipment—

1 “(A) which is used to enable employees of
2 the taxpayer to telework, and

3 “(B) the original use of which begins with
4 the taxpayer.

5 “(2) QUALIFIED TELEWORKING EMPLOYEE.—
6 The term ‘qualified teleworking employee’ means a
7 teleworking employee who teleworks in any county or
8 group of counties that—

9 “(A) is not designated by the Office of
10 Management and Budget as either a
11 micropolitan statistical area or metropolitan
12 statistical area,

13 “(B) is designated by the Office of Man-
14 agement and Budget as a micropolitan statis-
15 tical area, or

16 “(C) is designated by the Office of Man-
17 agement and Budget as a metropolitan statis-
18 tical area with a population of no more than
19 200,000 people.

20 “(3) TELEWORKING EMPLOYEE.—The term
21 ‘teleworking employee’ means any employee of the
22 taxpayer who performs services for the taxpayer
23 under an arrangement under which the employee
24 teleworks for the taxpayer at least 20 hours per
25 week during the taxable year.

1 “(4) TELEWORK.—The term ‘telework’ means
2 to perform work functions using electronic informa-
3 tion and communication technologies and thereby re-
4 ducing or eliminating the physical commute to and
5 from the traditional worksite.

6 “(d) SPECIAL RULES.—

7 “(1) BASIS REDUCTION.—For purposes of this
8 subtitle, the basis of any property for which a credit
9 is determined under subsection (a) shall be reduced
10 by the amount of credit so determined.

11 “(2) CONTROLLED GROUPS.—All persons treat-
12 ed as a single employer under subsection (a) or (b)
13 of section 52 or subsection (m) or (o) of section 414
14 shall be treated as one person for purposes of this
15 section.

16 “(3) RECAPTURE.—The Secretary shall, by reg-
17 ulations, provide for recapturing the benefit of any
18 credit allowable under subsection (a) with respect to
19 any property which ceases to be property eligible for
20 such credit during the useful life of such property.

21 “(4) PROPERTY USED OUTSIDE UNITED
22 STATES, ETC., NOT QUALIFIED.—No credit shall be
23 allowed under subsection (a) with respect to any
24 property referred to in section 50(b) or with respect
25 to expenses related to such property.

1 “(5) ELECTION NOT TO TAKE CREDIT.—No
2 credit shall be allowed under subsection (a) for any
3 property or expense if the taxpayer elects to have
4 this section not apply with respect to such property
5 or expense.

6 “(6) DENIAL OF DOUBLE BENEFIT.—No deduc-
7 tion shall be allowed under this chapter with respect
8 to any expense which is taken into account in deter-
9 mining the credit under this section.”.

10 (b) CONFORMING AMENDMENT.—Subsection (a) of
11 section 1016 of such Code is amended by striking “and”
12 at the end of paragraph (36), by striking the period at
13 the end of paragraph (37) and inserting “, and”, and by
14 adding at the end the following new paragraph:

15 “(38) to the extent provided in section
16 45R(d)(1).”.

17 (c) CREDIT TO BE PART OF GENERAL BUSINESS
18 CREDIT.—Section 38(b) of such Code is amended by strik-
19 ing “plus” at the end of paragraph (34), by striking the
20 period at the end of paragraph (35) and inserting “, plus”,
21 and by adding at the end of following new paragraph:

22 “(36) in the case of an employer, the tele-
23 working credit determined under section 45R(a).”.

24 (d) CLERICAL AMENDMENT.—The table of sections
25 for subpart D of part IV of subchapter A of chapter 1

1 of such Code is amended by adding at the end the fol-
2 lowing new item:

“Sec. 45R. Teleworking equipment credit.”.

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to property placed in service, and
5 expenses paid or incurred, after the date of the enactment
6 of this Act in taxable years ending after such date.

○