

113TH CONGRESS
1ST SESSION

H. R. 1324

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for wages paid to employees who participate in qualified apprenticeship programs.

IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2013

Ms. SEWELL of Alabama (for herself, Mr. CROWLEY, and Mr. RYAN of Ohio) 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 wages paid to employees who participate in qualified apprenticeship programs.

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 “Workforce Develop-
5 ment Tax Credit Act of 2013”.

1 **SEC. 2. CREDIT FOR WAGES PAID TO EMPLOYEES PARTICI-**
 2 **PATING IN QUALIFIED APPRENTICESHIP**
 3 **PROGRAMS.**

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

8 **“SEC. 45S. WAGES PAID TO EMPLOYEES PARTICIPATING IN**
 9 **QUALIFIED APPRENTICESHIP PROGRAMS.**

10 “(a) IN GENERAL.—For purposes of section 38, the
 11 apprenticeship credit determined under this section for the
 12 taxable year is the sum of—

13 “(1) the apprenticeship period credit, and

14 “(2) the post-apprenticeship credit.

15 “(b) APPRENTICESHIP PERIOD CREDIT.—For pur-
 16 poses of subsection (a)—

17 “(1) IN GENERAL.—The apprenticeship period
 18 credit for the taxable year is 50 percent of the wages
 19 paid for services rendered during the taxable year to
 20 each apprenticeship employee but only if such wages
 21 are paid for services rendered during a qualified
 22 training year of such employee (whether or not such
 23 employee is an employee of the taxpayer as of the
 24 close of such taxable year).

25 “(2) LIMITATION ON WAGES PER YEAR TAKEN
 26 INTO ACCOUNT.—The amount of wages which may

1 be taken into account under paragraph (1) with re-
2 spect to any apprenticeship employee for each quali-
3 fied training year shall not exceed \$2,000.

4 “(c) POST-APPRENTICESHIP CREDIT.—For purposes
5 of subsection (a)—

6 “(1) IN GENERAL.—The post-apprenticeship
7 credit for the taxable year is 40 percent of the wages
8 paid for services rendered during the taxable year
9 and the preceding taxable year to each employee who
10 has successfully completed a qualified training pro-
11 gram of the employer, but only if such wages are
12 paid by such employer for services rendered during
13 the 2-year period which begins on the day after the
14 employee’s completion of such program.

15 “(2) LIMITATION ON WAGES PER YEAR TAKEN
16 INTO ACCOUNT.—The amount of wages which may
17 be taken into account under paragraph (1) for a tax-
18 able year with respect to any apprenticeship em-
19 ployee shall not exceed \$6,000.

20 “(d) DEFINITIONS.—For purposes of this section—

21 “(1) WAGES.—The term ‘wages’ has the mean-
22 ing given to such term by section 51(c), determined
23 without regard to paragraph (4) thereof.

24 “(2) APPRENTICESHIP EMPLOYEE.—The term
25 ‘apprenticeship employee’ means any employee who

1 is employed by the employer pursuant to an appren-
2 tice agreement registered with the Office of Appren-
3 ticeship of the Employment and Training Adminis-
4 tration of the Department of Labor.

5 “(3) QUALIFIED TRAINING YEAR.—

6 “(A) IN GENERAL.—The term ‘qualified
7 training year’ means each year during the
8 training period in which—

9 “(i) the employee is employed by the
10 employer for at least 25 hours per week
11 during 28 consecutive weeks of such year,
12 and

13 “(ii) the employee completes at least 8
14 credit hours of classroom work under a
15 qualified training program for each semes-
16 ter of such program ending during such
17 year.

18 “(B) QUALIFIED TRAINING PROGRAM.—

19 The term ‘qualified training program’ means
20 any training program undertaken pursuant to
21 the agreement referred to in paragraph (2).

22 “(C) TRAINING PERIOD.—The term ‘train-
23 ing period’ means, with respect to an employee,
24 the period—

1 “(i) beginning on the date that the
2 employee begins employment with the tax-
3 payer as an apprentice under a qualified
4 training program, and

5 “(ii) ending on the earlier of—

6 “(I) the date that such appren-
7 ticeship with the employer ends, or

8 “(II) the date which is 4 years
9 after the date referred to in clause (i).

10 “(e) COORDINATION WITH OTHER CREDITS.—The
11 amount of credit otherwise allowable under sections 45A,
12 51(a), and 1396(a) with respect to any employee shall be
13 reduced by the credit allowed by this section with respect
14 to such employee.

15 “(f) CERTAIN RULES TO APPLY.—Rules similar to
16 the rules of subsections (i)(1) and (k) of section 51 shall
17 apply for purposes of this section.”.

18 (b) CREDIT MADE PART OF GENERAL BUSINESS
19 CREDIT.—Subsection (b) of section 38 of such Code is
20 amended by striking “plus” at the end of paragraph (35),
21 by striking the period at the end of paragraph (36) and
22 inserting “, plus”, and by adding at the end the following
23 new paragraph:

24 “(37) the apprenticeship credit determined
25 under section 45S(a).”.

1 (c) DENIAL OF DOUBLE BENEFIT.—Subsection (a)
2 of section 280C of such Code is amended by inserting
3 “45S(a),” after “45P(a),”.

4 (d) CLERICAL AMENDMENT.—The table of sections
5 for subpart D of part IV of subchapter A of chapter 1
6 of such Code is amended by adding at the end the fol-
7 lowing new item:

“Sec. 45S. Wages paid to employees participating in qualified apprenticeship
programs.”.

8 (e) EFFECTIVE DATE.—The amendments made by
9 this section shall apply to individuals commencing appren-
10 ticeship programs after the date of the enactment of this
11 Act.

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