

113TH CONGRESS
2D SESSION

H. R. 5234

To amend the Internal Revenue Code of 1986 to allow a credit against
tax for manufacturing job training expenses.

IN THE HOUSE OF REPRESENTATIVES

JULY 29, 2014

Ms. SHEA-PORTER 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 tax for manufacturing job training expenses.

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 “Rewarding the Train-
5 ing of Employees for American Manufacturing Act of
6 2014” or the “Rewarding the TEAM Act”.

7 **SEC. 2. MANUFACTURING JOB TRAINING TAX CREDIT.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45S. MANUFACTURING JOB TRAINING CREDIT.**

4 “(a) IN GENERAL.—For the purposes of section 38,
5 the manufacturing job training credit determined under
6 this section for the taxable year is an amount equal to
7 14 percent of so much of the manufacturing training ex-
8 penses paid or incurred by a qualified manufacturing em-
9 ployer during the taxable year as exceeds 50 percent of
10 the average manufacturing training expenses for the 3
11 taxable years preceding the taxable year for which the
12 credit is determined.

13 “(b) DEFINITIONS.—For purposes of this section—

14 “(1) MANUFACTURING TRAINING EXPENSES.—

15 “(A) IN GENERAL.—The term ‘manufac-
16 turing training expenses’ means, with respect to
17 any eligible employee of the taxpayer, expenses
18 paid or incurred by such taxpayer for any man-
19 ufacturing training program, including any re-
20 lated course work, certification testing, and es-
21 sential skill acquisition.

22 “(B) ELIGIBLE EMPLOYEE.—The term ‘el-
23 igible employee’ means any employee of the tax-
24 payer whose essential job function is within the
25 United States and relates to manufacturing at

1 a manufacturing facility of the taxpayer located
2 within the United States.

3 “(2) QUALIFYING MANUFACTURING EM-
4 PLOYER.—The term ‘qualified manufacturing em-
5 ployer’ means any employer—

6 “(A) which employs individuals in a trade
7 or business in manufacturing,

8 “(B) the manufacturing facilities of which
9 are located in the United States, and

10 “(C) the primary business of which is clas-
11 sified in sector 31, 32, or 33 of the North
12 American Industrial Classification System.

13 “(c) SPECIAL RULES.—

14 “(1) RULE IN CASE OF NO MANUFACTURING
15 TRAINING EXPENSES IN ANY OF 3 PRECEDING TAX-
16 ABLE YEARS.—

17 “(A) TAXPAYERS TO WHICH PARAGRAPH
18 APPLIES.—The credit under this section shall
19 be determined under this paragraph if the tax-
20 payer has no manufacturing training expenses
21 in any one of the 3 taxable years preceding the
22 taxable year for which the credit is being deter-
23 mined.

24 “(B) CREDIT RATE.—The credit deter-
25 mined under this paragraph shall be equal to 6

1 percent of the manufacturing training expenses
2 for the taxable year.

3 “(2) DENIAL OF DOUBLE BENEFIT.—No deduc-
4 tion shall be allowed under this chapter for the por-
5 tion of the expenses otherwise allowable as a deduc-
6 tion that are taken into account in determining the
7 credit under this section for the taxable year.

8 “(3) AGGREGATION.—For purposes of this sec-
9 tion, all persons treated as a single employer under
10 subsection (a) or (b) or section 52, or subsection (m)
11 or (o) of section 414, shall be treated as one person.

12 “(d) ELECTION TO HAVE CREDIT NOT APPLY.—A
13 taxpayer may elect to have this section not apply for any
14 taxable year.”.

15 (b) CREDIT TO BE PART OF GENERAL BUSINESS
16 CREDIT.—Subsection (b) of section 38 of the Internal
17 Revenue Code of 1986 is amended by striking “plus” at
18 the end of paragraph (35), by striking the period at the
19 end of paragraph (36) and inserting “, plus”, and by add-
20 ing at the end the following new paragraph:

21 “(37) the manufacturing job training credit de-
22 termined under section 45S(a).”.

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

1 of the Internal Revenue Code of 1986 is amended by add-
2 ing at the end the following new item:

“Sec. 45S. Manufacturing job training credit.”.

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

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