

114TH CONGRESS
1ST SESSION

H. R. 1801

To amend the Internal Revenue Code of 1986 to allow a tax credit for providing programs to kindergarten, elementary, and secondary students that promote economic and financial literacy.

IN THE HOUSE OF REPRESENTATIVES

APRIL 15, 2015

Ms. KELLY of Illinois 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 tax credit for providing programs to kindergarten, elementary, and secondary students that promote economic and financial literacy.

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 “Promoting Financial
5 Literacy and Economic Opportunity Act of 2015”.

1 **SEC. 2. TAX CREDIT FOR PROVIDING PROGRAMS FOR STU-**
2 **DENTS THAT PROMOTE ECONOMIC AND FI-**
3 **NANCIAL LITERACY.**

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. EXCELLENCE IN ECONOMIC EDUCATION.**

9 “(a) GENERAL RULE.—In the case of an eligible for
10 profit organization, for purposes of section 38, the excel-
11 lence in economic education credit determined under this
12 section for a taxable year is 50 percent of the amount paid
13 or incurred during the taxable year to carry out the pur-
14 poses specified in section 5533(b) of the Elementary and
15 Secondary Education Act of 1965 (20 U.S.C. 7267b(b))
16 pursuant to a qualified program.

17 “(b) LIMITATION ON NUMBER OF CREDIT RECIPI-
18 ENTS.—

19 “(1) IN GENERAL.—The excellence in economic
20 education credit determined under this section for a
21 taxable year may be allowed to not more than 20 for
22 profit organizations in accordance with paragraph
23 (2).

24 “(2) CREDIT AWARD BY SECRETARY.—

25 “(A) IN GENERAL.—The Secretary (in con-
26 sultation with the Secretary of Education) shall

determine which for profit organizations are allowed the credit under this section for a taxable year in such manner as the Secretary determines appropriate.

“(B) MAJORITY OF RECIPIENTS MUST BE MWOSBS, OWNED BY VETERANS, OR MEET ASSET TEST.—In carrying out subparagraph (A), the majority of the taxpayers allowed a credit under paragraph (1) for a taxable year shall be entities that are—

“(i) either—

“(I) a socially and economically disadvantaged small business concern (as defined in section 8(a)(4)(A) of the Small Business Act (15 U.S.C. 637(a)(4)(A))),

“(II) a small business concern owned and controlled by women (as defined under section 3(n) of such Act (15 U.S.C. 632(n))), or

“(III) a small business concern (as so defined) that is at least 51 percent owned by veterans (as defined in section 101(2), United States Code), or

1 “(ii) on the first day of the taxable
2 year do not have more than
3 \$60,000,000,000 in assets.

4 “(C) PRIORITY.—In making determina-
5 tions under this paragraph, the Secretary shall
6 give priority to taxpayers that have qualified
7 programs which serve either urban or rural un-
8 derserved areas (determined on the basis of the
9 most recent United States census data avail-
10 able).

11 “(c) LIMITATIONS RELATING TO EXPENDITURES.—

12 “(1) DIRECT ACTIVITY.—25 percent of the
13 amount allowed as a credit under subsection (a)
14 shall be for amounts paid or incurred for direct ac-
15 tivities (as defined in section 5533(b)(1) of the Ele-
16 mentary and Secondary Education Act of 1965 (20
17 U.S.C. 7267b(b)(1))).

18 “(2) SUBGRANTS.—75 percent of the amount
19 allowed as a credit under subsection (a) shall be for
20 amounts paid or incurred for subgrants (as defined
21 in section 5533(b)(2) of the Elementary and Sec-
22 ondary Education Act of 1965 (20 U.S.C.
23 7267b(b)(1))), determined by treating amounts so
24 paid or incurred as funds made available through a
25 grant.

1 “(d) DEFINITIONS AND SPECIAL RULES.—For pur-
2 poses of this section—

3 “(1) QUALIFIED PROGRAM.—The term ‘quali-
4 fied program’ means a program in writing under
5 which an eligible for profit organization awards one
6 or more grants for the purpose of carrying out the
7 objectives of promoting economic and financial lit-
8 eracy, as specified in section 5532 of the Elementary
9 and Secondary Education Act of 1965 (20 U.S.C.
10 7267a), that meet the requirements of section 5533b
11 of the Elementary and Secondary Education Act of
12 1965 (20 U.S.C. 7267b).

13 “(2) ELIGIBLE FOR PROFIT ORGANIZATION.—
14 The term ‘eligible for profit organization’ means
15 with respect to a taxable year, an organization
16 that—

17 “(A) has a qualified program in effect for
18 the taxable year, and

19 “(B) has been determined by the Secretary
20 under subsection (b)(2) to be an organization to
21 whom the credit is allowed for the taxable year.

22 “(3) DETERMINATION OF ASSETS.—For pur-
23 poses of paragraph (2)(B), in determining assets,
24 the Secretary shall use the same method used by the
25 Board of Governors of the Federal Reserve System

1 to determine a bank holding company's consolidated
2 assets under section 165 of the Financial Stability
3 Act of 2010 (12 U.S.C. 5365).

4 “(4) ELECTION NOT TO CLAIM CREDIT.—This
5 section shall not apply to a taxpayer for any taxable
6 year if such taxpayer elects to have this section not
7 apply for such taxable year.

8 “(5) COORDINATION WITH OTHER DEDUCTIONS
9 OR CREDITS.—The amount of any deduction or cred-
10 it otherwise allowable under this chapter for any
11 amount taken into account for purposes of sub-
12 section (a) shall be reduced by the credit allowed by
13 this section.

14 “(e) REGULATIONS.—The Secretary shall issue such
15 regulations or other guidance as may be necessary or ap-
16 propriate to carry out this section.”.

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

23 “(37) the excellence in economic education cred-
24 it determined under section 45S(a).”.

1 (c) CLERICAL AMENDMENT.—The table of sections
2 for subpart D of part IV of subchapter A of chapter 1
3 of the Internal Revenue Code of 1986 is amended by add-
4 ing at the end the following new item:

“Sec. 45S. Excellence in economic education.”.

5 (d) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to taxable years beginning after
7 the date of the enactment of this Act.

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