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116TH CONGRESS
1ST SESSION

H. R. 654

To amend the Internal Revenue Code of 1986 to provide employers with a credit against tax for increasing employee training.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 17, 2019

Mr. BROWN of Maryland (for himself, Mr. CISNEROS, Ms. JACKSON LEE, and Ms. WILD) introduced the following bill; which was referred to the Committee on Ways and Means

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A BILL

To amend the Internal Revenue Code of 1986 to provide employers with a credit against tax for increasing employee training.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Investing in Tomorrow's Workforce Act of 2019".

SEC. 2. TAX CREDIT FOR INCREASING WORKER TRAINING.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of

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

"SEC. 45T. CREDIT FOR INCREASING WORKER TRAINING.

''(a) IN GENERAL.—For purposes of section 38, the worker training credit determined under this section for a taxable year is an amount equal to the sum of—

''(1) 40 percent of the excess (if any) of—

''(A) the high-demand occupation training expenses for such taxable year, over

''(B) the average of the high-demand occupation training expenses for the 3 taxable years preceding such taxable year, plus

''(2) 20 percent of the excess (if any) of—

''(A) the low-demand occupation training expenses for such taxable year, over

''(B) the average of the low-demand occupation training expenses for the 3 taxable years preceding such taxable year.

''(b) DEFINITIONS.—For purposes of this section—

''(1) HIGH-DEMAND OCCUPATION TRAINING EXPENSE.—The term 'high-demand occupation training expense' means, for a taxable year, any qualified training expense for programming required for, or designed to lead to employment in, an occupation that the Secretary of Labor has determined is expected to experience not fewer than 20 percent occupational openings for the 10-year period beginning with calendar year beginning in such taxable year.

"(2) LOW-DEMAND OCCUPATION TRAINING EXPENSE.—The term 'low-demand occupation training expense' means any qualified training expense for programming required for, or designed to lead to employment in, an occupation other than an occupation described in paragraph (1).

"(3) QUALIFIED TRAINING EXPENSE.—

"(A) IN GENERAL.—The term 'qualified training expense' means amounts paid or incurred by an employer for a qualified training program for non-highly compensated employees.

"(B) EXCLUSION.—The term 'qualified training expense' shall not include any amounts paid for meals, lodging, transportation, or other services.

"(4) QUALIFIED TRAINING PROGRAM.—

"(A) IN GENERAL.—The term 'qualified training program' means any of the following:

"(i) An apprenticeship program registered under section 1 of the Act of August 16, 1937 (commonly known as the

'National Apprenticeship Act'; 29 U.S.C. 50 et seq.).

''(ii) A program to obtain a recognized postsecondary credential (as such term is defined in section 3(52) of the Workforce Innovation and Opportunity Act).

''(iii) A program eligible to receive funds under the Carl D. Perkins Career and Technical Education Act of 2006.

''(iv) Any other program designated by the Secretary of Labor or the Secretary of Education for purposes of this section.

''(5) NON-HIGHLY COMPENSATED EMPLOYEE.—The term 'non-highly compensated employee' means, with respect to a taxable year, an employee—

''(A) who is a full-time employee (as such term in defined in section 4980H(c)(4)), and

''(B) whose compensation does not exceed $82,000 for such taxable year.''.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of such Code is amended by striking ''plus'' at the end of paragraph (31), by striking the period at the end of paragraph (32) and inserting '', plus'', and by adding at the end the following new paragraph:

"(33) the worker training credit determined under section 45T.".

(c) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

"Sec. 45T. Credit for increasing worker training.".

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

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