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116TH CONGRESS
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S. 3757

To amend the Internal Revenue Code of 1986 to provide incentives for businesses and employers to help in the fight against COVID–19, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 19, 2020

Mr. JONES introduced the following bill; which was read twice and referred to the Committee on Finance

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A BILL

To amend the Internal Revenue Code of 1986 to provide incentives for businesses and employers to help in the fight against COVID–19, and for other purposes.

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 ''Build Health Care Equipment in America Act''.

SEC. 2. BONUS DEPRECIATION FOR FACILITIES MANUFACTURING ITEMS TO FIGHT COVID–19.

(a) IN GENERAL.—Section 168 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(n) SPECIAL ALLOWANCE FOR MEDICAL EQUIPMENT MANUFACTURERS.—

''(1) IN GENERAL.—In the case of any qualified medical equipment manufacturing property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to the applicable percentage of the adjusted basis of such property, and

''(B) the adjusted basis of such property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) APPLICABLE PERCENTAGE.—For purposes of this subsection, the term 'applicable percentage' means—

''(A) in the case of property described in paragraph (3)(A)—

"(i) if such property is placed in service within a rural area, 67 percent, or

"(ii) if such property is placed in service within an area not described in clause (i), 50 percent, and

"(B) in the case of property described in paragraph (3)(B)—

"(i) which is placed in service before January 1, 2027, 100 percent,

"(ii) which is placed in service after December 31, 2026, and before January 1, 2028, 80 percent,

"(iii) which is placed in service after December 31, 2027, and before January 1, 2029, 60 percent,

"(iv) which is placed in service after December 31, 2028, and before January 1, 2030, 40 percent, and

"(v) which is placed in service after December 31, 2029, and before January 1, 2031, 20 percent.

"(3) QUALIFIED MEDICAL EQUIPMENT MANUFACTURING PROPERTY.—For purposes of this subsection, the term 'qualified medical equipment manufacturing property' means—

''(A) any nonresidential real property which is—

''(i) originally placed in service after the date of enactment of this subsection and before January 1, 2031, and

''(ii) used solely for the production or manufacturing of COVID–19 medical equipment, and

''(B) any qualified property (as defined in subsection (k)(2), without respect to subparagraph (A)(iii) of such subsection) which is—

''(i) originally placed in service after the date of enactment of this subsection and before January 1, 2031, and

''(ii) used to rehabilitate, refurbish, or reequip any facility which was originally placed in service before the date of enactment of this subsection to allow such facility to produce or manufacture COVID–19 medical equipment.

''(4) COVID–19 MEDICAL EQUIPMENT.—For purposes of this subsection, the term 'COVID–19 medical equipment' means any product or equipment used for the prevention or treatment of the virus

SARS–CoV–2 or coronavirus disease 2019 (COVID–19).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to property placed in service after the date of enactment of this Act.

SEC. 3. HEALTH CARE WORKFORCE CREDIT.

(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. 45U. HEALTH CARE WORKFORCE CREDIT.

''(a) IN GENERAL.—For purposes of section 38, the amount of the health care workforce credit determined under this section for the taxable year shall be equal to the sum of any applicable payroll taxes paid by an employer during the taxable year with respect to employment of any qualified employee.

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

''(1) APPLICABLE PAYROLL TAXES.—

''(A) IN GENERAL.—The term 'applicable payroll taxes' means, with respect to any employer for any taxable year, the amount of the taxes imposed by—

''(i) section 3111 on wages paid by an employer with respect to employment of

qualified employee during the applicable period, and

"(ii) section 3221(a) on compensation paid by an employer with respect to services rendered by a qualified employee during the applicable period.

"(B) APPLICABLE PERIOD.—For purposes of subparagraph (A), the term 'applicable period' means the 3-year period beginning with the day the qualified employee begins work for the employer.

"(2) DECLINING FIELD; SKILLED HEALTHCARE FIELD.—

"(A) IN GENERAL.—

"(i) DECLINING FIELD.—The term 'declining field' means any occupation or field of work which has been determined by the Secretary, in consultation with the Bureau of Labor Statistics of the Department of Labor, to have experienced a decline in the level of average employment in such occupation or field in the United States of not less than 8 percent over the most recent 3-year period for which such information is available.

"(ii) SKILLED HEALTHCARE FIELD.—The term 'skilled healthcare field' means any occupation or field of work related to the practice of medicine which has been determined by the Secretary, in consultation with the Bureau of Labor Statistics of the Department of Labor, to—

"(I) require—

"(aa) theoretical and practical application of a body of highly specialized knowledge; and

"(bb)(AA) attainment of a bachelor's or higher degree in the specific specialty (or its equivalent); or

"(BB) experience in the specialty equivalent to the completion of such degree; and

"(II) have an insufficient number of individuals who are citizens or residents of the United States and are qualified, willing, and able to satisfy the demand for labor in such occupation or field of work.

''(B) DETERMINATION AND PUBLICATION.—The Secretary, in consultation with the Bureau of Labor Statistics of the Department of Labor, shall annually—

''(i) determine which occupations or fields of work satisfy the requirements described in subparagraph (A), and

''(ii) publish and make available on the website of the Department of the Treasury a complete list of such occupations and fields of work.

''(3) QUALIFIED EMPLOYEE.—

''(A) IN GENERAL.—The term 'qualified employee' means an individual who—

''(i) is provided wages for employment by the employer (as such terms are defined in section 3121), provided that such employment—

''(I) is not in a declining field, and

''(II) is in a skilled healthcare field,

''(ii) is not a covered employee (as defined in section 162(m)(3)), and

''(iii) was employed in a declining field for any period during the 12-month period preceding the applicable period under paragraph (1)(B).

''(B) NONQUALIFYING REHIRES.—The term 'qualifying employee' shall not include any individual who, prior to the beginning of the applicable period under paragraph (1)(B), had been employed by the employer at any time.''.

(b) CREDIT PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 is amended by striking ''plus'' at the end of paragraph (32), by striking the period at the end of paragraph (33) and inserting '', plus'', and by adding at the end the following new paragraph:

''(34) the health care workforce credit determined under section 45U(a).''.

(c) CLERICAL AMENDMENT.—The table of sections for 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 item:

''Sec. 45U. Health Care Workforce Credit.''.

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

SEC. 4. ENHANCEMENTS TO CERTAIN EDUCATION TAX BENEFITS FOR MEDICAL PROFESSIONALS IN SHORT SUPPLY.

(a) IN GENERAL.—

(1) PUBLICATION.—For each calendar year beginning after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Secretary of Labor, shall publish and make available on the website of the Department of the Treasury a list of any occupation or field of work which qualifies as a medical short supply field for such calendar year.

(2) MEDICAL SHORT SUPPLY FIELD.—The term ''medical short supply field'' means an occupation or field of work which the Secretary of the Treasury, in consultation with the Secretary of Labor, has determined—

(A) is related to the practice of medicine or to the manufacturing of medical equipment;

(B) requires—

(i) theoretical and practical application of a body of highly specialized knowledge; and

(ii)(I) attainment of a bachelor's or higher degree in the specific specialty (or its equivalent); or

(II) experience in the specialty equivalent to the completion of such degree; and

(C) has an insufficient number of individuals who are citizens or residents of the United States and are qualified, willing, and able to satisfy the demand for labor in such occupation or field of work.

(b) ENHANCEMENTS TO CERTAIN EDUCATION TAX BENEFITS.—

(1) IN GENERAL.—

(A) EDUCATIONAL ASSISTANCE PROGRAMS.—Paragraph (2) of section 127(a) of the Internal Revenue Code of 1986 is amended by inserting ''(or, in the case of an individual employed in an occupation or field of work which has been designated as a medical short supply field for such calendar year pursuant to section 4(a) of the Build Health Care Equipment in America Act, the first $15,000 of such assistance so furnished)'' before the period at the end.

(B) INTEREST ON EDUCATION LOANS.—Paragraph (1) of section 221(b) of the Internal Revenue Code of 1986 is amended by inserting ''(or, in the case of a individual employed in an

occupation or field of work which has been designated, pursuant to section 4(a) of the Build Health Care Equipment in America Act, as a medical short supply field for the calendar year in which such taxable year began, shall not exceed $8,000)'' before the period at the end.

(C) QUALIFIED TUITION AND RELATED EXPENSES.—Paragraph (1) of section 222(b) of the Internal Revenue Code of 1986 is amended by inserting ''(or, in the case of an individual employed in an occupation or field of work which has been designated, pursuant to section 4(a) of the Build Health Care Equipment in America Act, as a medical short supply field for the calendar year in which such taxable year began, an amount equal to the applicable dollar limit multiplied by 2)'' before the period at the end.

(2) EXCLUSION FOR CERTAIN EMPLOYER PAYMENTS OF STUDENT LOANS.—

(A) IN GENERAL.—Paragraph (1) of section 127(c) of the Internal Revenue Code of 1986 is amended by striking ''and'' at the end of subparagraph (A), by redesignating subparagraph (B) as subparagraph (C), and by insert-

ing after subparagraph (A) the following new subparagraph:

''(B) in the case of an employee employed in an occupation or field of work which has been designated as a medical short supply field for a calendar year pursuant to section 4(a) of the Build Health Care Equipment in America Act, the payment by an employer during such calendar year, whether paid to the employee or to a lender, of principal or interest on any qualified education loan (as defined in section 221(d)(1)) incurred by the employee, and''.

(B) CONFORMING AMENDMENT; DENIAL OF DOUBLE BENEFIT.—Paragraph (1) of section 221(e) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: '', or for which an exclusion is allowable under section 127 to the taxpayer's employer by reason of the payment by such employer of any indebtedness on a qualified education loan of the taxpayer''.

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

SEC. 5. 21ST CENTURY TECHNOLOGY FUND FOR STATE AND LOCAL GOVERNMENTS LOOKING TO DRAW BUSINESSES TO THEIR RURAL REGIONS.

Title VI of the Rural Electrification Act of 1936 (7 U.S.C. 950bb et seq.) is amended by adding at the end the following:

"SEC. 607. 21ST CENTURY TECHNOLOGY FUND FOR STATE AND LOCAL GOVERNMENTS LOOKING TO DRAW BUSINESSES TO THEIR RURAL REGIONS.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means an entity eligible to receive assistance under the ReConnect Program.

''(2) ELIGIBLE SERVICE AREA.—The term 'eligible service area' means a service area in which a project may be carried out under the ReConnect Program.

''(3) FUND.—The term 'Fund' means the 21st Century Technology Fund for State and Local Governments Looking to Draw Businesses to Their Rural Regions established by subsection (b)(1).

''(4) RECONNECT PROGRAM.—The term 'ReConnect Program' means the Rural eConnectivity Pilot Program established under section 779 of divi-

sion A of the Consolidated Appropriations Act, 2018 (Public Law 115–141; 132 Stat. 399).

''(b) ESTABLISHMENT OF FUND.—

''(1) IN GENERAL.—There is established in the Treasury of the United States a fund, to be known as the '21st Century Technology Fund for State and Local Governments Looking to Draw Businesses to Their Rural Regions', consisting of—

''(A) such amounts as are appropriated to the Fund under subsection (e); and

''(B) any interest and proceeds under paragraph (3).

''(2) INVESTMENT OF AMOUNTS.—The Secretary of the Treasury shall invest such amounts in the Fund as are not, as determined by the Secretary of Agriculture, required to meet current withdrawals.

''(3) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to, and form a part of, the Fund.

''(c) RURAL TECHNOLOGY INFRASTRUCTURE ASSISTANCE.—Using amounts in the Fund, the Secretary shall provide assistance to eligible entities to carry out projects

in eligible service areas for the same purposes as projects authorized under the ReConnect Program.

''(d) APPLICABILITY OF RECONNECT PROGRAM REQUIREMENTS.—The requirements, limitations, and authorities that apply to assistance provided, and projects carried out, under the ReConnect Program shall apply to assistance provided, and projects carried out, under this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Fund such sums as are necessary to carry out this section for each fiscal year.''.

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