

118TH CONGRESS
2D SESSION

H. R. 7852

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2024

Ms. WILSON of Florida 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 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 “Leveraging and Ener-
5 gizing America’s Apprenticeship Programs Act” or the
6 “LEAP Act”.

1 **SEC. 2. CREDIT FOR EMPLOYEES PARTICIPATING IN QUALI-**
2 **FIED APPRENTICESHIP PROGRAMS.**

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

7 **“SEC. 45BB. EMPLOYEES PARTICIPATING IN QUALIFIED AP-**
8 **PRENTICESHIP PROGRAMS.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 apprenticeship credit determined under this section for the
11 taxable year is an amount equal to the sum of the applica-
12 ble credit amounts (as determined under subsection (b))
13 for each of the apprenticeship employees of the employer
14 that exceeds the applicable apprenticeship level (as deter-
15 mined under subsection (e)) during such taxable year.

16 “(b) APPLICABLE CREDIT AMOUNT.—For purposes
17 of subsection (a), the applicable credit amount for each
18 apprenticeship employee for each taxable year is equal
19 to—

20 “(1) in the case of an apprenticeship employee
21 who has not attained 25 years of age at the close
22 of the taxable year, \$1,500, or

23 “(2) in the case of an apprenticeship employee
24 who has attained 25 years of age at the close of the
25 taxable year, \$1,000.

1 “(c) LIMITATION ON NUMBER OF YEARS WHICH
2 CREDIT MAY BE TAKEN INTO ACCOUNT.—The appren-
3 ticeship credit shall not be allowed for more than 2 taxable
4 years with respect to any apprenticeship employee.

5 “(d) APPRENTICESHIP EMPLOYEE.—For purposes of
6 this section—

7 “(1) IN GENERAL.—The term ‘apprenticeship
8 employee’ means any employee who is—

9 “(A) a party to an apprenticeship agree-
10 ment registered with—

11 “(i) the Office of Apprenticeship of
12 the Employment and Training Administra-
13 tion of the Department of Labor, or

14 “(ii) a recognized State apprenticeship
15 agency, and

16 “(B) employed by the employer in the oc-
17 cupation identified in the apprenticeship agree-
18 ment described in subparagraph (A), whether
19 or not the employer is a party to such agree-
20 ment.

21 “(2) MINIMUM COMPLETION RATE FOR ELIGI-
22 BLE APPRENTICESHIP PROGRAMS.—An employee
23 shall not be treated as an apprenticeship employee
24 unless such apprenticeship agreement is with an ap-
25 prenticeship program that, for the two-year period

1 ending on the date of the apprenticeship begins, has
2 a completion rate of at least 50 percent.

3 “(e) APPLICABLE APPRENTICESHIP LEVEL.—

4 “(1) IN GENERAL.—For purposes of this sec-
5 tion, the applicable apprenticeship level shall be
6 equal to—

7 “(A) in the case of any apprenticeship em-
8 ployees described in subsection (b)(1), the
9 amount equal to 80 percent of the average
10 number of such apprenticeship employees of the
11 employer for the 3 taxable years preceding the
12 taxable year for which the credit is being deter-
13 mined, rounded to the next lower whole num-
14 ber, and

15 “(B) in the case of any apprenticeship em-
16 ployees described in subsection (b)(2), the
17 amount equal to 80 percent of the average
18 number of such apprenticeship employees of the
19 employer for the 3 taxable years preceding the
20 taxable year for which the credit is being deter-
21 mined, rounded to the next lower whole num-
22 ber.

23 “(2) FIRST YEAR OF NEW APPRENTICESHIP
24 PROGRAMS.—In the case of an employer which did
25 not have any apprenticeship employees during any

1 taxable year in the 3 taxable years preceding the
2 taxable year for which the credit is being deter-
3 mined, the applicable apprenticeship level shall be
4 equal to zero.

5 “(f) COORDINATION WITH OTHER CREDITS.—The
6 amount of credit otherwise allowable under sections 45A,
7 51(a), and 1396(a) with respect to any employee shall be
8 reduced by the credit allowed by this section with respect
9 to such employee.

10 “(g) CERTAIN RULES TO APPLY.—Rules similar to
11 the rules of subsections (i)(1) and (k) of section 51 shall
12 apply for purposes of this section.”.

13 (b) CREDIT MADE PART OF GENERAL BUSINESS
14 CREDIT.—Subsection (b) of section 38 of such Code is
15 amended by striking “plus” at the end of paragraph (37),
16 by striking the period at the end of paragraph (38) and
17 inserting a comma, by striking the period at the end of
18 paragraph (41) and inserting “, plus”, and adding at the
19 end the following new paragraph:

20 “(42) the apprenticeship credit determined
21 under section 45BB(a).”.

22 (c) DENIAL OF DOUBLE BENEFIT.—Subsection (a)
23 of section 280C of such Code is amended by inserting
24 “45BB(a),” after “45S(a),”.

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

“Sec. 45BB. Employees participating in qualified apprenticeship programs.”.

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

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