

105TH CONGRESS  
2D SESSION

# S. 2089

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for information technology training expenses paid or incurred by the employer, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

MAY 18, 1998

Mr. CONRAD (for himself and Mrs. FEINSTEIN) 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 allow employers a credit against income tax for information technology training expenses paid or incurred by the employer, and for other purposes.

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. CREDIT FOR INFORMATION TECHNOLOGY**  
4 **TRAINING PROGRAM EXPENSES.**

5 (a) IN GENERAL.—Subpart D of part IV of sub-  
6 chapter A of chapter 1 of the Internal Revenue Code of  
7 1986 (relating to business-related credits) is amended by  
8 adding at the end the following new section:

1 **“SEC. 45D. INFORMATION TECHNOLOGY TRAINING PRO-**  
2 **GRAM EXPENSES.**

3 “(a) GENERAL RULE.—For purposes of section 38,  
4 in the case of an employer, the information technology  
5 training program credit determined under this section is  
6 an amount equal to 20 percent of information technology  
7 training program expenses paid or incurred by the tax-  
8 payer during the taxable year.

9 “(b) ADDITIONAL CREDIT PERCENTAGE FOR CER-  
10 TAIN PROGRAMS.—The percentage under subsection (a)  
11 shall be increased by 5 percentage points for information  
12 technology training program expenses paid or incurred by  
13 the taxpayer with respect to a program operated in—

14 “(1) an empowerment zone or enterprise com-  
15 munity designated under part I of subchapter U,

16 “(2) a school district in which a least 50 per-  
17 cent of the students attending schools in such dis-  
18 trict are eligible for free or reduced-cost lunches  
19 under the school lunch program established under  
20 the National School Lunch Act, or

21 “(3) an area designated as a disaster area by  
22 the Secretary of Agriculture or by the President  
23 under the Disaster Relief and Emergency Assistance  
24 Act in the taxable year or the 4 preceding taxable  
25 years.

1       “(c) LIMITATION.—The amount of information tech-  
2 nology training program expenses with respect to an em-  
3 ployee which may be taken into account under subsection  
4 (a) for the taxable year shall not exceed \$6,000.

5       “(d) INFORMATION TECHNOLOGY TRAINING PRO-  
6 GRAM EXPENSES.—For purposes of this section—

7           “(1) IN GENERAL.—The term ‘information  
8 technology training program expenses’ means ex-  
9 penses paid or incurred by reason of the participa-  
10 tion of the employer in any information technology  
11 training program.

12           “(2) INFORMATION TECHNOLOGY TRAINING  
13 PROGRAM.—The term ‘information technology train-  
14 ing program’ means a program—

15                   “(A) for the training of computer program-  
16 mers, systems analysts, and computer scientists  
17 or engineers (as such occupations are defined  
18 by the Bureau of Labor Statistics),

19                   “(B) involving a partnership of—

20                           “(i) employers, and

21                           “(ii) State training programs, school  
22 districts, or university systems, and

23                   “(C) at least 50 percent of the costs of  
24 which is paid or incurred by the employers.

1           “(e) DENIAL OF DOUBLE BENEFIT.—No deduction  
2 or credit under any other provision of this chapter shall  
3 be allowed with respect to information technology training  
4 program expenses (determined without regard to the limi-  
5 tation under subsection (c)).

6           “(f) ALLOCATIONS.—For purposes of this section,  
7 rules similar to the rules of section 41(f)(2) shall apply.”

8           (b) CREDIT TO BE PART OF GENERAL BUSINESS  
9 CREDIT.—Section 38(b) of the Internal Revenue Code of  
10 1986 (relating to current year business credit) is amended  
11 by striking “plus” at the end of paragraph (11), by strik-  
12 ing the period at the end of paragraph (12) and inserting  
13 “, plus”, and by adding at the end the following new para-  
14 graph:

15                   “(13) the information technology training pro-  
16 gram credit determined under section 45D.”

17           (c) NO CARRYBACKS.—Subsection (d) of section 39  
18 of the Internal Revenue Code of 1986 (relating to  
19 carryback and carryforward of unused credits) is amended  
20 by adding at the end the following new paragraph:

21                   “(9) NO CARRYBACK OF SECTION 45D CREDIT  
22 BEFORE EFFECTIVE DATE.—No portion of the un-  
23 used business credit for any taxable year which is  
24 attributable to the information technology training  
25 program credit determined under section 45D may

1 be carried back to a taxable year ending before the  
2 date of the enactment of section 45D.”

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

“Sec. 45D. Information technology training program expenses.”

7 (e) EFFECTIVE DATE.—The amendments made by  
8 this section shall apply to amounts paid or incurred after  
9 the date of the enactment of this Act in taxable years end-  
10 ing after such date.

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