

106TH CONGRESS  
2D SESSION

# S. 2701

To amend the Internal Revenue Code of 1986 to allow a tax credit for donations of computers to senior centers, to require a pilot program to enhance the availability of Internet access for older Americans, and for other purposes.

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IN THE SENATE OF THE UNITED STATES

JUNE 8, 2000

Mr. WYDEN (for himself, Mr. DEWINE, and Mr. ROCKEFELLER) 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 a tax credit for donations of computers to senior centers, to require a pilot program to enhance the availability of Internet access for older Americans, 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. SHORT TITLE.**

4 This Act may be cited as the “Internet Access for  
5 Seniors Act of 2000”.

1 **SEC. 2. CREDIT FOR COMPUTER DONATIONS TO SENIOR**  
 2 **CENTERS.**

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 (relating to business related credits) is amended by  
 6 adding at the end the following:

7 **“SEC. 45D. CREDIT FOR COMPUTER DONATIONS TO SENIOR**  
 8 **CENTERS.**

9 “(a) GENERAL RULE.—For purposes of section 38,  
 10 the computer donation credit determined under this sec-  
 11 tion is an amount equal to 30 percent of the qualified com-  
 12 puter contributions made by the taxpayer during the tax-  
 13 able year as determined after the application of section  
 14 170(e)(6)(A).

15 “(b) QUALIFIED COMPUTER CONTRIBUTION.—For  
 16 purposes of this section—

17 “(1) IN GENERAL.—The term ‘qualified com-  
 18 puter contribution’ has the meaning given the term  
 19 ‘qualified elementary or secondary educational con-  
 20 tribution’ by section 170(e)(6)(B), except that—

21 “(A) clause (ii) of such section shall be ap-  
 22 plied by substituting ‘3 years’ for ‘2 years’,

23 “(B) clause (iii) of such section shall be  
 24 applied by inserting ‘, the person from whom  
 25 the donor reacquires the property,’ after ‘the  
 26 donor’, and

1           “(C) notwithstanding clauses (i) and (iv)  
 2 of such section, such term shall include the con-  
 3 tribution of computer technology or equipment  
 4 to eligible senior centers to be used by individ-  
 5 uals who have attained 60 years of age to im-  
 6 prove job skills in computers.

7           “(2) ELIGIBLE SENIOR CENTER.—

8           “(A) IN GENERAL.—The term ‘eligible sen-  
 9 ior center’ means any facility which is eligible—

10           “(i) to receive funding as a senior cen-  
 11 ter under title III of the Older Americans  
 12 Act of 1965 (42 U.S.C. 3021 et seq.), and

13           “(ii) to receive the qualified computer  
 14 contribution as determined under subpara-  
 15 graph (B).

16           “(B) ELIGIBILITY TO RECEIVE CONTRIBU-  
 17 TION.—For purposes of subparagraph (A)(ii), a  
 18 senior center is eligible to receive a qualified  
 19 computer contribution in any calendar year if  
 20 such contribution when added to all preceding  
 21 qualified computer contributions for such year  
 22 does not result in such center receiving more  
 23 than 10 computers through such contributions.

24           “(c) INCREASED PERCENTAGE FOR CONTRIBUTIONS  
 25 TO ENTITIES IN EMPOWERMENT ZONES, ENTERPRISE

1 COMMUNITIES, AND INDIAN RESERVATIONS.—In the case  
2 of a qualified computer contribution to an entity located  
3 in an empowerment zone or enterprise community des-  
4 ignated under section 1391 or an Indian reservation (as  
5 defined in section 168(j)(6)), subsection (a) shall be ap-  
6 plied by substituting ‘50 percent’ for ‘30 percent’.

7 “(d) CERTAIN RULES MADE APPLICABLE.—For pur-  
8 poses of this section, rules similar to the rules of para-  
9 graphs (1) and (2) of section 41(f) shall apply.

10 “(e) TERMINATION.—This section shall not apply to  
11 taxable years beginning on or after the date which is 3  
12 years after the date of the enactment of the Internet Ac-  
13 cess for Seniors Act of 2000.”.

14 (b) CURRENT YEAR BUSINESS CREDIT CALCULA-  
15 TION.—Section 38(b) of the Internal Revenue Code of  
16 1986 (relating to current year business credit) is amended  
17 by striking “plus” at the end of paragraph (11), by strik-  
18 ing the period at the end of paragraph (12) and inserting  
19 “, plus”, and by adding at the end the following:

20 “(13) the computer donation credit determined  
21 under section 45D(a).”.

22 (c) DISALLOWANCE OF DEDUCTION BY AMOUNT OF  
23 CREDIT.—Section 280C of the Internal Revenue Code of  
24 1986 (relating to certain expenses for which credits are  
25 allowable) is amended by adding at the end the following:

1       “(d) CREDIT FOR COMPUTER DONATIONS.—No de-  
2       duction shall be allowed for that portion of the qualified  
3       computer contributions (as defined in section 45D(b))  
4       made during the taxable year that is equal to the amount  
5       of credit determined for the taxable year under section  
6       45D(a). In the case of a corporation which is a member  
7       of a controlled group of corporations (within the meaning  
8       of section 52(a)) or a trade or business which is treated  
9       as being under common control with other trades or busi-  
10      nesses (within the meaning of section 52(b)), this sub-  
11      section shall be applied under rules prescribed by the Sec-  
12      retary similar to the rules applicable under subsections (a)  
13      and (b) of section 52.”.

14      (d) LIMITATION ON CARRYBACK.—Subsection (d) of  
15      section 39 of the Internal Revenue Code of 1986 (relating  
16      to carryback and carryforward of unused credits) is  
17      amended by adding at the end the following:

18               “(9) NO CARRYBACK OF COMPUTER DONATION  
19              CREDIT BEFORE EFFECTIVE DATE.—No amount of  
20              unused business credit available under section 45D  
21              may be carried back to a taxable year beginning on  
22              or before the date of the enactment of this para-  
23              graph.”.

24      (e) CLERICAL AMENDMENT.—The table of sections  
25      for subpart D of part IV of subchapter A of chapter 1

1 of the Internal Revenue Code of 1986 is amended by in-  
2 serting after the item relating to section 45C the following:

“Sec. 45D. Credit for computer donations to senior centers.”.

3 (f) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to contributions made in taxable  
5 years beginning after the date of the enactment of this  
6 Act.

7 **SEC. 3. PILOT PROGRAM FOR ENHANCED INTERNET AC-**  
8 **CESS FOR OLDER AMERICANS.**

9 (a) **REQUIREMENT.**—

10 (1) **IN GENERAL.**—The Secretary of Commerce  
11 shall, in consultation with the Secretary of Health  
12 and Human Services, carry out a pilot program to  
13 enhance the availability of Internet access for older  
14 Americans. The pilot program shall meet the re-  
15 quirements of this section.

16 (2) **DISCHARGE OF RESPONSIBILITIES.**—The  
17 Secretary of Commerce shall carry out the pilot pro-  
18 gram through the Assistant Secretary of Commerce  
19 for Communications and Information, and the Sec-  
20 retary of Health and Human Services shall consult  
21 with the Secretary of Commerce under the pilot pro-  
22 gram through the Assistant Secretary for Aging of  
23 the Department of Health and Human Services.

24 (b) **PARTICIPATION OF SENIOR CENTERS.**—

1           (1) IN GENERAL.—The Secretary of Commerce  
2 shall select senior centers for participation in the  
3 pilot program under this section from among senior  
4 centers.

5           (2) APPLICATION.—

6           (A) IN GENERAL.—Except as provided in  
7 subparagraph (B), each senior center seeking to  
8 participate in the pilot program shall submit to  
9 the Secretary an application for participation in  
10 the pilot program containing such information  
11 as the Secretary shall require.

12           (B) APPLICATIONS FOR SEVERAL CEN-  
13 TERS.—An entity consisting of or operating two  
14 or more senior centers may submit a single ap-  
15 plication under this paragraph on behalf of  
16 such senior centers that seek to participate in  
17 the pilot program.

18           (3) SELECTION OF SENIOR CENTERS.—In se-  
19 lecting a senior center for participation in the pilot  
20 program, the Secretary take into account the fol-  
21 lowing:

22           (A) The extent to which the senior center  
23 already provides Internet access for older indi-  
24 viduals.

1           (B) The extent to which the senior center  
2 serves an area with a high percentage of low-  
3 income older individuals, a rural area, or both  
4 such areas.

5           (C) The number of older individuals who  
6 will be provided Internet access as a result of  
7 the participation of the senior center in the  
8 pilot program.

9           (D) The extent to which the participation  
10 of the senior center in the pilot program will re-  
11 sult in the receipt by older individuals of health  
12 or education information or job training  
13 through the Internet.

14       (c) GRANTS.—

15           (1) IN GENERAL.—

16           (A) IN GENERAL.—The Secretary of Com-  
17 merce shall make grants to senior centers se-  
18 lected by the Secretary under subsection (b) for  
19 participation in the pilot program under this  
20 section.

21           (B) RECIPIENT OF CERTAIN GRANTS.—If  
22 the senior centers selected by the Secretary in-  
23 clude senior centers covered by an application  
24 under subsection (b)(2)(B), the Secretary shall  
25 make the grant to such centers as a single



1 grant through the entity submitting the applica-  
2 tion under that subsection.

3 (2) AMOUNT OF GRANTS.—

4 (A) IN GENERAL.—Subject to subpara-  
5 graphs (B) and (C), the Secretary shall deter-  
6 mine the amount of the grant to be made to  
7 each senior center selected to participate in the  
8 pilot program.

9 (B) LARGER AMOUNTS FOR CERTAIN CEN-  
10 TERS.—The Secretary shall, to the maximum  
11 extent practicable, make grants in larger  
12 amounts to senior centers selected to partici-  
13 pate in the pilot program that serve areas with  
14 a high percentage of low-income older individ-  
15 uals, rural areas, or both such areas.

16 (C) ANNUAL LIMIT.—The amount of the  
17 grant made to a given senior center in any year  
18 may not exceed \$25,000.

19 (d) USE OF GRANT AMOUNTS.—

20 (1) IN GENERAL.—A senior center receiving a  
21 grant under the pilot program under this section  
22 shall use the amount of the grant to cover or defray  
23 the costs of the senior center in making available  
24 Internet access to or for older individuals at or  
25 through the facilities of the senior center, including

1 costs relating to telecommunications services, Inter-  
2 net access, internal connections, computers, input  
3 and output devices, software, training, and oper-  
4 ations and maintenance.

5 (2) LIMITATION ON PERCENTAGE OF COSTS  
6 COVERED BY GRANT.—

7 (A) IN GENERAL.—The Secretary shall  
8 specify in each grant to a senior center selected  
9 to participate in the pilot program the max-  
10 imum percentage of the costs of the senior cen-  
11 ter that may be covered or defrayed by such  
12 grant.

13 (B) HIGHER PERCENTAGE FOR CERTAIN  
14 CENTERS.—In specifying maximum percentages  
15 under this paragraph, the Secretary shall, to  
16 the maximum extent practicable, specify higher  
17 percentages for senior centers serving areas  
18 with a high percentage of low-income older indi-  
19 viduals, rural areas, or both such areas.

20 (C) MAXIMUM PERCENTAGE.—The highest  
21 maximum percentage that may be specified by  
22 the Secretary under this paragraph shall be 90  
23 percent.

24 (3) ADDITIONAL LIMITATION ON USE OF  
25 FUNDS.—Amounts received by a senior center under

1 a grant under subsection (c) may not be used for  
2 any administrative purpose unless such purpose re-  
3 lates directly to the participation of the senior center  
4 in the pilot program under this section.

5 (e) DURATION.—

6 (1) COMMENCEMENT.—The Secretary of Com-  
7 merce shall commence the pilot program under this  
8 section as soon as practicable after the date of the  
9 enactment of this Act.

10 (2) TERMINATION.—The Secretary may not  
11 make any grant under the pilot program after the  
12 date that is three years after the commencement of  
13 the pilot program under paragraph (1).

14 (f) REPORT.—

15 (1) REQUIREMENT.—Not later than two years  
16 after the commencement of the pilot program under  
17 subsection (e)(1), the Secretary of Commerce shall  
18 submit to Congress a report on the pilot program.

19 (2) ELEMENTS.—The report under paragraph  
20 (1) shall set forth the following:

21 (A) An estimate of the cost per senior cen-  
22 ter of making available Internet access to or for  
23 older individuals at or through senior centers in  
24 rural areas and in non-rural areas, including a  
25 separate estimate of the cost of—

- 1 (i) purchasing computers and associ-  
2 ated hardware;  
3 (ii) purchasing software;  
4 (iii) purchasing and installing internal  
5 connections;  
6 (iv) subscribing to Internet and tele-  
7 communications services at narrowband  
8 data rates; and  
9 (v) operating and maintaining the sys-  
10 tems which provide such access.

11 (B) An assessment of the extent to which  
12 computers and Internet access are currently  
13 available to or for older individuals at or  
14 through senior centers in the United States,  
15 including—

16 (i) a comparison of the availability of  
17 computers and Internet access at or  
18 through senior centers in rural areas with  
19 the availability of computers and Internet  
20 access at or through senior centers in non-  
21 rural areas; and

22 (ii) a comparison of the availability of  
23 computers and Internet access at or  
24 through senior centers that serve a high  
25 percentage of low-income older individuals

1 with the availability of computers and  
2 Internet access at or through senior cen-  
3 ters that do not serve a high percentage of  
4 low-income older individuals.

5 (C) A proposal for a program to provide  
6 additional subsidies or assistance to enhance  
7 the availability of Internet access to or for older  
8 individuals, under which program—

9 (i) all senior centers would be eligible  
10 for such subsidies or assistance; and

11 (ii) priority would be given in the pro-  
12 vision of such subsidies or assistance to  
13 senior centers that serve a high percentage  
14 of low-income older individuals or are lo-  
15 cated in rural areas.

16 (D) An estimate of the annual cost of the  
17 program proposed under subparagraph (C).

18 (g) DEFINITIONS.—In this section:

19 (1) LOW-INCOME OLDER INDIVIDUAL.—The  
20 term “low-income older individual” means an older  
21 individual whose income level is at or below the pov-  
22 erty line (as that term is defined in section 102(41)  
23 of the Older Americans Act of 1965 (42 U.S.C.  
24 3002(41)).

1           (2) OLDER INDIVIDUAL.—The term “older indi-  
2           vidual” has the meaning given that term in section  
3           102(38) of the Older Americans Act of 1965 (42  
4           U.S.C. 3002(38)).

5           (3) SENIOR CENTER.—The term “senior cen-  
6           ter” means any facility that is eligible to receive  
7           funding as a senior center under title III of the  
8           Older Americans Act of 1965 (42 U.S.C. 3021 et  
9           seq.).

10          (h) AUTHORIZATION OF APPROPRIATIONS.—

11           (1) AUTHORIZATION OF APPROPRIATIONS.—  
12           There is hereby authorized to be appropriated  
13           \$30,000,000 for purposes of the pilot program re-  
14           quired by this section.

15           (2) AVAILABILITY.—Amounts appropriated pur-  
16           suant to the authorization of appropriations in para-  
17           graph (1) shall remain available until expended.

○