

108TH CONGRESS
1ST SESSION

H. R. 2763

To amend the Internal Revenue Code of 1986 to allow a business credit
for donations for vocational educational purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 16, 2003

Mr. POMBO 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 a
business credit for donations for vocational educational
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 “Public Private Voca-
5 tional Partnership Act of 2003”.

6 **SEC. 2. DONATIONS TO HIGH SCHOOLS AND COMMUNITY**
7 **COLLEGES FOR VOCATIONAL EDUCATION**
8 **PURPOSES.**

9 (a) IN GENERAL.—Subpart D of part IV of sub-
10 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 (relating to business-related credits) is amended by
2 adding at the end the following new section:

3 **“SEC. 45G. DONATIONS TO HIGH SCHOOLS AND COMMU-**
4 **NITY COLLEGES FOR VOCATIONAL EDU-**
5 **CATION PURPOSES.**

6 “(a) GENERAL RULE.—For purposes of section 38,
7 in the case of a corporation (as defined in section
8 170(e)(4)(D)), the vocational education donation credit
9 determined under this section for the taxable year is an
10 amount equal to the sum of—

11 “(1) 90 percent of the fair market value of
12 qualified property donations made during the tax-
13 able year, plus

14 “(2) the aggregate of the intern credit amounts.

15 “(b) LIMITATIONS.—

16 “(1) QUALIFIED PROPERTY DONATIONS.—The
17 amount allowed as a credit under subsection (a)(1)
18 shall not exceed \$50,000.

19 “(2) INTERN CREDIT AMOUNT.—

20 “(A) IN GENERAL.—The amount allowed
21 as a credit under subsection (a)(2) with respect
22 to a qualified intern shall be the amount equal
23 to \$100 multiplied by the number of months
24 during the taxable year in which the intern was
25 an employee of the taxpayer.

1 “(B) AGGREGATE PER INTERN CREDIT
2 AMOUNTS.—The aggregate amount allowed to
3 the taxpayer as a credit under subsection (a)(2)
4 for the taxable year shall not exceed \$6,000.

5 “(c) QUALIFIED PROPERTY DONATIONS.—For pur-
6 poses of this section, the term ‘qualified property dona-
7 tions’ means a charitable contribution (as defined in sec-
8 tion 170(c)) of tangible personal property if—

9 “(1) the contribution is to an educational orga-
10 nization described in section 170(b)(1)(A)(ii) which
11 is a high school or community college,

12 “(2) substantially all of the use of the property
13 by the donee is for use within the United States for
14 educational purposes that are related to the purpose
15 or function of the donee,

16 “(3) the property is not transferred by the
17 donee in exchange for money, other property, or
18 services, except for shipping, installation and trans-
19 fer costs,

20 “(4) the property will fit productively into the
21 donee’s education plan,

22 “(5) the donee’s use and disposition of the
23 property will be in accordance with the provisions of
24 paragraphs (2), (3), and (4), and

1 “(6) the property meets such standards, if any,
2 as the Secretary may prescribe by regulation to as-
3 sure that the property meets minimum functionality
4 and suitability standards for educational purposes.

5 “(d) QUALIFIED INTERN.—For purposes of this sec-
6 tion—

7 “(1) IN GENERAL.—The term ‘qualified intern’
8 means an individual—

9 “(A) who is enrolled full-time as a student
10 in a high school or community college, and

11 “(B) who is employed for not more than
12 20 hours per week by the taxpayer as part of
13 a vocational education course approved by such
14 school or college.

15 “(2) HIGH SCHOOL.—The term ‘high school’
16 means any school which provides secondary edu-
17 cation in grades 9 through 12, as determined under
18 State law, and which offers a program of education
19 in vocational education.

20 “(3) COMMUNITY COLLEGE.—The term ‘com-
21 munity college’ means a public or nonprofit private
22 postsecondary regionally accredited institution that
23 provides not less than a 2-year program of instruc-
24 tion that is acceptable for full credit toward a bach-
25 elor’s degree at an accredited institution and whose

1 highest degree offered is predominantly the associate
2 degree.

3 “(e) AGGREGATION RULE.—For purposes of sub-
4 section (b), all persons treated as a single employer under
5 subsection (a) or (b) of section 52 or subsection (n) or
6 (o) of section 414 shall be treated as one person.

7 “(f) COORDINATION WITH SECTION 170(b).—The
8 limitation which would (but for this subsection) apply
9 under section 170(b) for any taxable year shall be reduced
10 (but not below zero) by the fair market value of property
11 taken into account in determining the credit allowed under
12 subsection (a)(1) for such year.”.

13 (b) CREDIT TO BE PART OF GENERAL BUSINESS
14 CREDIT.—

15 (1) Subsection (b) of section 38 of such Code
16 (relating to general business credit) is amended by
17 striking “plus” at the end of paragraph (14), by
18 striking the period at the end of paragraph (15) and
19 inserting “, plus”, and by adding at the end the fol-
20 lowing new paragraph:

21 “(16) in the case of a corporation (as defined
22 in section 170(e)(4)(D)), the vocational education
23 donation credit determined under section 45G(a).”.

1 (2) Section 39(d) of such Code (relating to transition
2 rules) is amended by adding at the end the following new
3 paragraph:

4 “(11) NO CARRYBACK OF VOCATIONAL EDU-
5 CATION DONATION CREDIT BEFORE EFFECTIVE
6 DATE.—No portion of the unused business credit for
7 any taxable year which is attributable to the voca-
8 tional education donation credit determined under
9 section 45G may be carried to a taxable year begin-
10 ning before January 1, 2003.”.

11 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
12 such Code (relating to certain expenses for which credits
13 are allowable) is amended by adding at the end the fol-
14 lowing new subsection:

15 “(d) VOCATIONAL EDUCATION DONATIONS.—The
16 deduction otherwise allowed for amounts taken into ac-
17 count under section 45G shall be reduced by the amount
18 of the credit determined under section 45G(a) with respect
19 to such amounts.”.

20 (d) CONFORMING AMENDMENT.—The table of sec-
21 tions for subpart D of part IV of subchapter A of chapter
22 1 of such Code is amended by inserting after the item
23 relating to section 45F the following new item:

“Sec. 45G. Donations to high schools and community colleges for vocational
education purposes.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to taxable years beginning after
3 December 31, 2002.

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