

110TH CONGRESS
2D SESSION

H. R. 5965

To encourage small businesses to provide continuing financial education to their employees by providing a credit against income tax to cover a portion of the costs of providing that education and by giving such businesses and corporations providing such financial education preferential status when applying for Federal contracts, loans, and other assistance.

IN THE HOUSE OF REPRESENTATIVES

MAY 5, 2008

Ms. EDDIE BERNICE JOHNSON of Texas introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Small Business, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To encourage small businesses to provide continuing financial education to their employees by providing a credit against income tax to cover a portion of the costs of providing that education and by giving such businesses and corporations providing such financial education preferential status when applying for Federal contracts, loans, and other assistance.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Employers Financial
3 Literacy Act”.

4 **SEC. 2. CREDIT AGAINST INCOME TAX FOR SMALL BUSI-**
5 **NESSES WHICH PROVIDE CONTINUING FI-**
6 **NANCIAL EDUCATION TO EMPLOYEES.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of
9 1986 (relating to business-related credits) is amended by
10 adding at the end the following new section:

11 **“SEC. 450. SMALL BUSINESSES PROVIDING CONTINUING FI-**
12 **NANCIAL EDUCATION TO EMPLOYEES.**

13 “(a) IN GENERAL.—In the case of an eligible small
14 business, the continuing financial education credit deter-
15 mined under this section is an amount equal to 35 percent
16 of the continuing financial education expenses paid or in-
17 curred by the taxpayer during the taxable year.

18 “(b) ELIGIBLE SMALL BUSINESS.—For purposes of
19 this section, the term ‘eligible small business’ means any
20 small business which provides without charge a qualified
21 continuing financial education program to its employees
22 throughout the taxable year.

23 “(c) QUALIFIED CONTINUING FINANCIAL EDU-
24 CATION PROGRAM.—For purposes of this section—

1 “(1) IN GENERAL.—The term ‘qualified con-
2 tinuing financial education program’ means any edu-
3 cational program or services—

4 “(A) which is provided by a community-
5 based budget and counseling agency which is
6 described in section 501(c)(3) and exempt from
7 tax under section 501(a),

8 “(B) which promotes consumer under-
9 standing of consumer, economic, and personal
10 finance issues and concepts, including saving
11 for retirement, managing credit, long-term care,
12 estate planning and education on predatory
13 lending, identity theft, and financial abuse
14 schemes,

15 “(C) which is offered to all employees of
16 the taxpayer who have at least 2 weeks of serv-
17 ice with the employer, and

18 “(D) which is offered during—

19 “(i) at least 24 hours of each month
20 if the taxpayer is a corporation, or

21 “(ii) at least 16 hours of each month
22 in any other case.

23 “(d) SMALL BUSINESS.—For purposes of this sec-
24 tion—

1 “(1) IN GENERAL.—The term ‘small business’
2 means, with respect to any taxable year, any em-
3 ployer if—

4 “(A) such employer employed an average
5 of at least 2 but not more than 50 employees
6 on business days during the most recent cal-
7 endar year ending before such taxable year, and

8 “(B) such employer employed at least 2
9 employees on the first day of the taxable year.

10 “(2) EMPLOYERS NOT IN EXISTENCE IN PRE-
11 CEDING YEAR.—In the case of an employer which
12 was not in existence throughout the calendar year
13 referred to in paragraph (1), the determination
14 under paragraph (1) shall be based on the average
15 number of employees that it is reasonably expected
16 such employer will employ on business days in the
17 taxable year.

18 “(3) SPECIAL RULES.—

19 “(A) CONTROLLED GROUPS.—For pur-
20 poses of this subsection, all persons treated as
21 a single employer under subsection (b), (c),
22 (m), or (o) of section 414 shall be treated as 1
23 employer.

24 “(B) PREDECESSORS.—Any reference in
25 this subsection to an employer shall include a

1 reference to any predecessor of such em-
2 ployer.”.

3 (b) DENIAL OF DOUBLE BENEFIT.—Section 280C of
4 such Code (relating to certain expenses for which credits
5 are allowable) is amended by adding at the end the fol-
6 lowing new subsection:

7 “(f) CREDIT FOR SMALL BUSINESSES PROVIDING
8 CONTINUING FINANCIAL EDUCATION TO EMPLOYEES.—
9 No deduction shall be allowed for that portion of the ex-
10 penses paid or incurred during the taxable year which is
11 equal to the credit determined for the taxable year under
12 sections 450(a). In the case of persons treated as a single
13 employer under section 450(d)(3)(A), this subsection shall
14 be applied under rules prescribed by the Secretary similar
15 to the rules applicable under subsections (a) and (b) of
16 section 52.”.

17 (c) CREDIT TO BE PART OF GENERAL BUSINESS
18 CREDIT.—Section 38(b) of such Code is amended by strik-
19 ing “plus” at the end of paragraph (30), by striking the
20 period at the end of paragraph (31) and inserting “, plus”,
21 and by adding at the end the following new paragraph:

22 “(32) in the case of an eligible small business
23 (as defined in section 450(d)), the continuing finan-
24 cial education credit under section 400(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. 400. Small businesses providing continuing financial education to em-
 ployees.”.

5 (e) EFFECTIVE DATE.—The amendments made by
 6 this section shall apply to taxable years beginning after
 7 December 31, 2008.

8 **SEC. 3. PREFERENCE IN FEDERAL CONTRACTS, LOANS,**
 9 **AND OTHER ASSISTANCE FOR SMALL BUSI-**
 10 **NESSES AND CORPORATIONS PROVIDING**
 11 **CONTINUING FINANCIAL EDUCATION TO EM-**
 12 **PLOYEES.**

13 (a) PREFERENCE.—In the case of any Federal con-
 14 tract or any Federal financial or nonfinancial assistance,
 15 an eligible small business or an eligible corporation shall
 16 be given a preference when submitting a bid or proposal
 17 for the contract or applying for such assistance.

18 (b) DEFINITIONS.—In this section:

19 (1) ELIGIBLE SMALL BUSINESS.—The term “el-
 20 igible small business” has the meaning provided in
 21 section 450(b) of the Internal Revenue Code of
 22 1986.

23 (2) ELIGIBLE CORPORATION.—The term “eligi-
 24 ble corporation” means any corporation—

1 (A) that employs 50 or more employees;
2 and

3 (B) that provides without charge a quali-
4 fied continuing financial education program to
5 its employees throughout the taxable year.

6 (3) QUALIFIED CONTINUING FINANCIAL EDU-
7 CATION PROGRAM.—The term “qualified continuing
8 financial education program” has the meaning pro-
9 vided in section 450(c) of the Internal Revenue
10 Code of 1986.

11 (4) FEDERAL FINANCIAL OR NONFINANCIAL AS-
12 SISTANCE.—The term “Federal financial or non-
13 financial assistance” means—

14 (A) all programs and activities involving
15 Federal financial and nonfinancial assistance
16 and benefits, as covered by Executive Order No.
17 12549 and guidelines implementing that order;
18 and

19 (B) procurement programs and activities,
20 including Federal contracts for the procurement
21 of goods or services.

22 (c) EFFECTIVE DATE.—The preference required
23 under subsection (a) shall be applied beginning on Janu-
24 ary 1, 2010.

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