

111TH CONGRESS
2D SESSION

H. R. 5420

To provide a tax credit for job training by successful companies, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 26, 2010

Mr. PERLMUTTER (for himself and Mr. COFFMAN of Colorado) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To provide a tax credit for job training by successful companies, 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 “Incentives for Success-
5 ful Companies Act of 2010”.

6 **SEC. 2. CREDIT FOR JOB TRAINING BY SUCCESSFUL COM-**
7 **PANIES.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 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. 45S. JOB TRAINING BY SUCCESSFUL COMPANIES.**

4 “(a) GENERAL RULE.—For purposes of section 38,
5 the successful company job training credit determined
6 under this section for the taxable year is an amount equal
7 to the amount paid or incurred by the employer in pro-
8 viding qualified job training during the taxable year.

9 “(b) QUALIFIED JOB TRAINING.—For purposes of
10 this section—

11 “(1) IN GENERAL.—The term ‘qualified job
12 training’ means job training provided to a United
13 States employee within the 4-week period beginning
14 on the hiring date of such employee. The preceding
15 sentence shall apply only to those United States em-
16 ployees who first begin work for the taxpayer after
17 the date of the enactment of this section.

18 “(2) ITEMS INCLUDED.—Such term includes—

19 “(A) properly allocated labor, material,
20 and associated overhead costs for the trainers,

21 “(B) non-working paid training hours, and

22 “(C) associated overhead for the trainees.

23 “(3) ITEMS EXCLUDED.—Such term does not
24 include general and administrative costs.

1 “(c) UNITED STATES EMPLOYEE.—For purposes of
2 this section—

3 “(1) IN GENERAL.—The term ‘United States
4 employee’ means an individual who is lawfully
5 present in the United States and employed full time
6 by the taxpayer in the United States.

7 “(2) VALID SOCIAL SECURITY ACCOUNT NUM-
8 BER REQUIRED.—Such term shall not include any
9 individual who does not have a valid social security
10 account number.

11 “(3) SOCIAL SECURITY ACCOUNT NUMBER.—
12 The term ‘social security account number’ means a
13 social security number issued to an individual by the
14 Social Security Administration (other than a social
15 security number issued pursuant to clause (II) (or
16 that portion of clause (III) that relates to clause
17 (II)) of section 205(c)(2)(B)(i) of the Social Security
18 Act).

19 “(d) OTHER DEFINITIONS.—For purposes of this
20 section—

21 “(1) SUCCESSFUL COMPANY.—The term ‘suc-
22 cessful company’ means any United States company
23 or enterprise which the Secretary determines—

1 “(A) maintains a long-term United States
2 growth plan that meets the criteria established
3 by the Secretary under this section,

4 “(B) as of the time of the determination,
5 is experiencing financial performance and
6 achieving a balance sheet would have qualified
7 such company or enterprise for a certain level
8 of loan from primary lending sources of such
9 company or enterprise as of June 1, 2008, on
10 the basis of credit and underwriting criteria in
11 effect on such date, but cannot get access to
12 loans from such lending sources as of the date
13 of such determination because of current tight-
14 er credit and underwriting criteria, and

15 “(C) in the most recent calendar year had
16 an average of not fewer than 5 employees and
17 not more than 500 employees.

18 “(2) HIRING DATE.—The term ‘hiring date’ has
19 the meaning given such term by section 51(d)(11).

20 “(3) UNITED STATES.—The term ‘United
21 States’ includes the District of Columbia and the
22 possessions of the United States.

23 “(e) SPECIAL RULES.—

24 “(1) MONETIZATION OF CREDIT.—At the elec-
25 tion of the taxpayer, the credit allowed under this

1 section shall be treated as a credit allowed under
2 subpart C and not allowed under subsection (a).

3 “(2) ELECTION NOT TO CLAIM CREDIT.—This
4 section shall not apply to a taxpayer for any taxable
5 year if such taxpayer elects to have this section not
6 apply for such taxable year.

7 “(f) TERMINATION.—Subsection (a) shall not apply
8 to taxable years beginning after December 31, 2014.”.

9 (b) CREDIT TO BE PART OF GENERAL BUSINESS
10 CREDIT.—Subsection (b) of section 38 of such Code (re-
11 lating to general business credit) is amended by striking
12 “plus” at the end of paragraph (35), by striking the period
13 at the end of paragraph (36) and inserting “, plus”, and
14 by adding at the end the following new paragraph:

15 “(37) the successful company job training cred-
16 it determined under section 45S(a).”.

17 (c) CLERICAL AMENDMENT.—The table of sections
18 for subpart D of part IV of subchapter A of chapter 1
19 of such Code is amended by inserting after the item relat-
20 ing to section 45R the following new item:

“Sec. 45S. Job training by successful companies.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to taxable years beginning after
23 December 31, 2009.

1 **SEC. 3. INCREASE IN EXPENSING BY SUCCESSFUL COMPANIES.**
2 **NIES.**

3 (a) **IN GENERAL.**—Section 179 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

6 “(6) **SPECIAL RULE FOR SUCCESSFUL COMPANIES.**—

8 “(A) **IN GENERAL.**—In the case of a successful company, for each taxable year beginning before 2015—

11 “(i) **DOLLAR LIMITATION.**—Paragraph (1) shall be applied by substituting ‘\$250,000’ for the dollar amount otherwise in effect for such taxable year.

15 “(ii) **REDUCTION IN LIMITATION.**—Paragraph (2) shall be applied by substituting ‘\$800,000’ for the dollar amount otherwise in effect for such taxable year.

19 “(B) **SUCCESSFUL COMPANY.**—For purposes of subparagraph (A), the term ‘successful company’ has the meaning given such term by section 45S(d)(1).”.

23 (b) **EFFECTIVE DATE.**—The amendment made by subsection (a) shall apply to taxable years beginning after 24 December 31, 2010.
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