

111TH CONGRESS
1ST SESSION

S. 1045

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for the costs of providing technical training for employees.

IN THE SENATE OF THE UNITED STATES

MAY 14, 2009

Mrs. LINCOLN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for the costs of providing technical training for employees.

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 “Providing Our Work-
5 force with Education and Re-training Act of 2009” or
6 “POWER Act of 2009”.

7 **SEC. 2. CREDIT TO EMPLOYERS FOR COST OF TECHNICAL**
8 **TRAINING FOR EMPLOYEES.**

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. 45R. EXPENSES FOR TECHNICAL TRAINING OF EM-**
4 **PLOYEES.**

5 “(a) GENERAL RULE.—For purposes of section 38,
6 the employee technical training credit determined under
7 this section for the taxable year is an amount equal to
8 25 percent of the amount paid or incurred by the taxpayer
9 for technical training for employees performing services in
10 a trade or business of the taxpayer.

11 “(b) LIMITATIONS.—

12 “(1) PER EMPLOYEE LIMIT.—The credit deter-
13 mined under this section with respect to each em-
14 ployee for the taxable year shall not exceed \$1,000,
15 reduced by the credit determined under this section
16 with respect to such employee for all prior taxable
17 years.

18 “(2) TRAINING MUST LEAD TO RECOGNIZED
19 CERTIFICATE.—Only costs for training leading to an
20 industry-recognized license or certificate may be
21 taken into account under this section.

22 “(c) ALLOCATION IN THE CASE OF PARTNERSHIPS,
23 ETC.—In the case of partnerships, the credit shall be allo-
24 cated among partners under regulations prescribed by the

1 Secretary. A similar rule shall apply in the case of an S
2 corporation and its shareholders.

3 “(d) CERTAIN RULES TO APPLY.—Rules similar to
4 the rules of sections 51(i)(1) and 52 shall apply for pur-
5 poses of this section.”.

6 (b) CREDIT MADE PART OF GENERAL BUSINESS
7 CREDIT.—Subsection (b) of section 38 of the Internal
8 Revenue Code of 1986 is amended by striking “plus” at
9 the end of paragraph (34), by striking the period at the
10 end of paragraph (35) and inserting “, plus”, and by add-
11 ing at the end the following new paragraph:

12 “(36) the employee technical training credit de-
13 termined under section 45R(a).”.

14 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
15 the Internal Revenue Code of 1986 is amended by adding
16 at the end the following new subsection:

17 “(g) EMPLOYEE TECHNICAL TRAINING CREDIT.—
18 No deduction shall be allowed for that portion of the ex-
19 penses otherwise allowable as a deduction for the taxable
20 year which is equal to the amount of the credit determined
21 for the taxable year under section 45R(a).”.

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

“Sec. 45R. Expenses for technical training of employees.”.

1 (e) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to expenses paid or incurred in
3 the taxable years ending after the date of the enactment
4 of this Act.

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