

115TH CONGRESS
1ST SESSION

H. R. 4088

To amend the Internal Revenue Code of 1986 to provide a credit to employers for certain employee education and training expenses.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 19, 2017

Mr. THOMPSON of California (for himself, Mr. KILMER, Mr. BYRNE, and Mr. HULTGREN) 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 provide a credit to employers for certain employee education and training expenses.

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 “Career Advancement
5 through New Skills Act”.

6 **SEC. 2. CREDIT FOR EMPLOYEE EDUCATION AND TRAINING**
7 **EXPENSES.**

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 is amended by adding at the end the following new
2 section:

3 **“SEC. 45S. EMPLOYEE EDUCATION AND TRAINING CREDIT.**

4 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-
5 tion 38, the employee education and training credit deter-
6 mined under this section for the taxable year is an amount
7 equal to 25 percent of the qualified education and training
8 expenses paid or incurred by the taxpayer during such tax-
9 able year with respect to employees of the taxpayer.

10 “(b) LIMITATION.—The qualified education and
11 training expenses taken into account under subsection (a)
12 shall not exceed \$5,000 with respect to any employee for
13 any taxable year.

14 “(c) QUALIFIED EDUCATION AND TRAINING EX-
15 PENSES.—For purposes of this section, the term ‘qualified
16 education and training expenses’ means amounts paid or
17 incurred for a program of education or training of an em-
18 ployee of the taxpayer if such program is specifically de-
19 signed to maintain or improve skills of such employee
20 which are necessary or useful either—

21 “(1) in the employee’s current employment po-
22 sition with such employer, or

23 “(2) in another employment position with such
24 employer to which the employer reasonably antici-
25 pates such employee may transfer.

1 Such term shall not include any amount paid or incurred
2 for a program of education or training which is provided
3 by such employer or by any person which bears a relation-
4 ship to such employer described in section 267(b) or
5 707(b)(1).

6 “(d) SPECIAL RULES.—

7 “(1) AGGREGATION.—All persons which are
8 treated as a single employer under subsections (a)
9 and (b) of section 52 shall be treated as a single em-
10 ployer for purposes of this section.

11 “(2) DENIAL OF DOUBLE BENEFIT.—No deduc-
12 tion or credit shall be allowed under any other provi-
13 sion of this chapter with respect to the amount of
14 the credit determined under this section.

15 “(3) TRADE OR BUSINESS REQUIREMENT.—No
16 credit shall be allowed under this section with re-
17 spect to any employee unless such employee is pro-
18 viding services in a trade or business of the tax-
19 payer.”.

20 (b) CREDIT MADE PART OF GENERAL BUSINESS
21 CREDIT.—Subsection (b) of section 38 of the Internal
22 Revenue Code of 1986 is amended by striking “plus” at
23 the end of paragraph (35), by striking the period at the
24 end of paragraph (36) and inserting “, plus”, and by add-
25 ing at the end the following new paragraph:

1 “(37) the employee education and training cred-
2 it determined under section 45S.”.

3 (c) CLERICAL AMENDMENT.—The table of sections
4 for subpart D of part IV of subchapter A of chapter 1
5 of such Code is amended by adding at the end the fol-
6 lowing new item:

“Sec. 45S. Employee education and training credit.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 the date of the enactment of this Act.

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