

116TH CONGRESS
1ST SESSION

H. R. 4238

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for employees who participate in qualified apprenticeship programs.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2019

Mr. REED (for himself and Ms. SÁNCHEZ) 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 employers a credit against income tax for employees who participate in qualified apprenticeship programs.

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 “Leveraging and Ener-
5 gizing America’s Apprenticeship Programs Act” or the
6 “LEAP Act”.

1 **SEC. 2. CREDIT FOR EMPLOYEES PARTICIPATING IN QUALI-**
2 **FIED APPRENTICESHIP PROGRAMS.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 is amended by adding at the end the following new
6 section:

7 **“SEC. 45T. EMPLOYEES PARTICIPATING IN QUALIFIED AP-**
8 **PRENTICESHIP PROGRAMS.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 apprenticeship credit determined under this section for the
11 taxable year is an amount equal to the sum of the applica-
12 ble credit amounts (as determined under subsection (b))
13 for each apprentice of the employer that exceeds the appli-
14 cable apprenticeship level (as determined under subsection
15 (e)) during such taxable year.

16 “(b) APPLICABLE CREDIT AMOUNT.—For purposes
17 of subsection (a), the applicable credit amount for each
18 apprentice for each taxable year is equal to—

19 “(1) in the case of an apprentice who has not
20 attained 25 years of age at the close of the taxable
21 year, \$1,500, or

22 “(2) in the case of an apprentice who has at-
23 tained 25 years of age at the close of the taxable
24 year, \$1,000.

25 “(c) LIMITATION ON NUMBER OF YEARS WHICH
26 CREDIT MAY BE TAKEN INTO ACCOUNT.—The appren-

1 ticeship credit shall not be allowed for more than 2 taxable
2 years with respect to any apprentice.

3 “(d) APPRENTICE.—For purposes of this section, the
4 term ‘apprentice’ means any employee who is employed by
5 the employer—

6 “(1) in an officially recognized apprenticeable
7 occupation, as determined by the Office of Appren-
8 ticeship of the Employment and Training Adminis-
9 tration of the Department of Labor, and

10 “(2) pursuant to an apprentice agreement reg-
11 istered with—

12 “(A) the Office of Apprenticeship of the
13 Employment and Training Administration of
14 the Department of Labor, or

15 “(B) a recognized State apprenticeship
16 agency, as determined by the Office of Appren-
17 ticeship of the Employment and Training Ad-
18 ministration of the Department of Labor.

19 “(e) APPLICABLE APPRENTICESHIP LEVEL.—

20 “(1) IN GENERAL.—For purposes of this sec-
21 tion, the applicable apprenticeship level shall be
22 equal to—

23 “(A) in the case of any apprentice de-
24 scribed in subsection (b)(1), the amount equal
25 to 80 percent of the average number of such

1 apprentices of the employer for the 3 taxable
2 years preceding the taxable year for which the
3 credit is being determined, rounded to the next
4 lower whole number, and

5 “(B) in the case of any apprentices de-
6 scribed in subsection (b)(2), the amount equal
7 to 80 percent of the average number of such
8 apprentices of the employer for the 3 taxable
9 years preceding the taxable year for which the
10 credit is being determined, rounded to the next
11 lower whole number.

12 “(2) FIRST YEAR OF NEW APPRENTICESHIP
13 PROGRAMS.—In the case of an employer which did
14 not have any apprentices during any taxable year in
15 the 3 taxable years preceding the taxable year for
16 which the credit is being determined, the applicable
17 apprenticeship level shall be equal to zero.

18 “(f) COORDINATION WITH OTHER CREDITS.—The
19 amount of credit otherwise allowable under sections 45A,
20 51(a), and 1396(a) with respect to any employee shall be
21 reduced by the credit allowed by this section with respect
22 to such employee.

23 “(g) CERTAIN RULES TO APPLY.—Rules similar to
24 the rules of subsections (i)(1) and (k) of section 51 shall
25 apply for purposes of this section.”.

1 (b) CREDIT MADE PART OF GENERAL BUSINESS
2 CREDIT.—Subsection (b) of section 38 of the Internal
3 Revenue Code of 1986 is amended by striking “plus” at
4 the end of paragraph (31), by striking the period at the
5 end of paragraph (32) and inserting “, plus”, and by add-
6 ing at the end the following new paragraph:

7 “(33) the apprenticeship credit determined
8 under section 45T(a).”.

9 (c) DENIAL OF DOUBLE BENEFIT.—Subsection (a)
10 of section 280C of the Internal Revenue Code of 1986 is
11 amended by inserting “45T(a),” after “45S(a),”.

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

“Sec. 45T. Employees participating in qualified apprenticeship programs.”.

16 (e) EFFECTIVE DATE.—The amendments made by
17 this section shall apply to individuals commencing appren-
18 ticeship programs after the date of the enactment of this
19 Act.

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