

116TH CONGRESS
2D SESSION

H. R. 5869

To amend the Internal Revenue Code to provide business with a tax credit for investing in work-based learning for workers with low skill levels.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 12, 2020

Mr. HORSFORD (for himself and Mr. GUTHRIE) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code to provide business with a tax credit for investing in work-based learning for workers with low skill levels.

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 “Skill and Knowledge
5 Investments Leverage Leaders’ Untapped Potential Tax
6 Credit Act of 2020” or the “SKILL UP Act of 2020”.

1 **SEC. 2. WORK OPPORTUNITY TAX CREDIT FOR PARTICIPA-**
 2 **TION IN QUALIFYING WORK-BASED LEARN-**
 3 **ING PROGRAMS.**

4 (a) IN GENERAL.—Paragraph (1) of section 51(d) of
 5 the Internal Revenue Code of 1986 is amended by striking
 6 “or” at the end of subparagraph (I), by striking the period
 7 at the end of subparagraph (J) and inserting “, or”, and
 8 by inserting after subparagraph (J) the following:

9 “(K) a qualified work-based learning par-
 10 ticipant.”.

11 (b) WAGES PER YEAR TAKEN INTO ACCOUNT.—
 12 Paragraph (3) of section 51(b) of such Code is amended
 13 by inserting “or who is a qualified work-based learning
 14 participant” after “subsection (d)(3)(A)(ii)(II)”.

15 (c) QUALIFIED WORK-BASED LEARNING PARTICI-
 16 PANT.—Section 51(d) of such Code is amended by adding
 17 at the end the following:

18 “(16) QUALIFIED WORK-BASED LEARNING PAR-
 19 TICIPANT.—

20 “(A) IN GENERAL.—The term ‘qualified
 21 work-based learning participant’ means an indi-
 22 vidual who—

23 “(i) is a member of one of the tar-
 24 geted group referred to in subparagraphs
 25 (A) through (J) of paragraph (1), and

1 “(ii) enrolled in a qualifying work-
2 based learning opportunity either—

3 “(I) within 3-month period begin-
4 ning on the hiring date, or

5 “(II) in the case of a program
6 described in subparagraph (B)(iii),
7 during the six-month period prior to
8 the hiring date.

9 “(B) QUALIFYING WORK-BASED LEARNING
10 OPPORTUNITY.—For the purpose of this para-
11 graph, the term ‘qualifying work-based learning
12 opportunity’ means—

13 “(i) an apprenticeship program reg-
14 istered under the Act of August 16, 1937
15 (commonly known as the National Appren-
16 ticeship Act; 50 Stat. 664, chapter 663; 29
17 U.S.C. 50 et seq.),

18 “(ii) a program that has been ap-
19 proved by the designated local agency and
20 that may be provided directly by an em-
21 ployer, or in partnership with one or more
22 training providers, in which—

23 “(I) the training is provided to
24 individuals who are full-time employ-
25 ees of the employer,

1 “(II) training consists of on the
 2 job instruction or a combination of on
 3 the job and classroom instruction, and

4 “(III) successful completion of
 5 the training program, or modules of
 6 the training program—

7 “(aa) provides for an in-
 8 crease in hourly wages for the
 9 employee, and

10 “(bb) may provide for the
 11 attainment of a recognized post-
 12 secondary credential (as defined
 13 under the Workforce Innovation
 14 and Opportunity Act), and

15 “(iii) a program that has been ap-
 16 proved by the designated local agency as
 17 under clause (ii) in which a third party
 18 serves as employer of record for purposes
 19 of operating an approved program with the
 20 participating employer.”.

21 (d) CREDIT FOR TAX-EXEMPT EMPLOYERS FOR EM-
 22 PLOYMENT OF QUALIFIED WORK-BASED LEARNING PAR-
 23 TICIPANTS.—

24 (1) IN GENERAL.—Paragraph (1) of section
 25 3111(e) of such Code is amended by inserting “or

1 qualified work-based learning participant” after
2 “qualified veteran” both places it appears.

3 (2) OVERALL LIMITATION.—Paragraph (2) of
4 section 3111(e) of such Code is amended by insert-
5 ing “or qualified work-based learning participants”
6 after “qualified veterans”.

7 (3) APPLICABLE PERIOD.—Paragraph (4) of
8 section 3111(e) of such Code is amended by insert-
9 ing “or qualified work-based learning participant”
10 after “qualified veteran” both places it appears.

11 (4) DEFINITIONS.—Paragraph (5) of section
12 3111(e) of such Code is amended by striking “and”
13 at the end of subparagraph (A), by striking the pe-
14 riod at the end of subparagraph (B) and inserting
15 “, and”, and by inserting after subparagraph (B)
16 the following:

17 “(C) the term ‘qualified work-based learn-
18 ing participant’ has the meaning given such
19 term by section 51(d)(16).”.

20 (e) EFFECTIVE DATE.—The amendments made by
21 this section shall apply to wages paid after 90 days after
22 the date of the enactment of this Act, with respect to en-
23 rollment in qualifying work-based learning programs be-
24 ginning after such date.

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