I

119TH CONGRESS
1ST SESSION

H. R. 6752

To amend the Internal Revenue Code of 1986 to provide a credit for employer-provided worker training.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2025

Mr. KRISHNAMOORTHI introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to provide a credit for employer-provided worker training.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Investing in American Workers Act''.

SEC. 2. EMPLOYER-PROVIDED WORKER TRAINING CREDIT.

(a) IN GENERAL.—

(1) DETERMINATION OF CREDIT.—Subpart D of part IV of subchapter A of chapter 1 of the Inter-

nal Revenue Code of 1986 is amended by adding at the end the following new section:

"SEC. 45BB EMPLOYER-PROVIDED WORKER TRAINING CREDIT.

"(a) IN GENERAL.—For purposes of section 38, the employer-provided worker training credit under this section for the taxable year is an amount equal to 20 percent of the excess (if any) of—

"(1) the qualified training expenditures for the taxable year, over

"(2) the average of the adjusted qualified training expenditures for the 3 taxable years preceding the taxable year for which the credit is being determined.

"(b) QUALIFIED TRAINING EXPENDITURES.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified training expenditures' means any expenditures for the qualified training of any non-highly compensated employee. Such term shall not include any amounts paid for meals, lodging, transportation, or other services incidental to such qualified training.

"(2) QUALIFIED TRAINING.—

"(A) IN GENERAL.—For purposes of paragraph (1), the term 'qualified training' means training which results in the attainment of a recognized postsecondary credential and which is provided through—

"(i) an apprenticeship program registered under the Act of August 16, 1937 (commonly known as the 'National Apprenticeship Act'; 50 Stat. 664, chapter 663; 29 U.S.C. 50 et seq.),

"(ii)(I) a program of training services which is listed under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)), or

"(II) an apprenticeship program which is registered or approved by a recognized State apprenticeship agency (which uses a State apprenticeship council) in accordance with the first section of the Act referred to in clause (i),

"(iii) a program which is conducted by an area career and technical education school, a community college, or a labor organization, or

"(iv) a program which is sponsored and administered by an employer, industry trade association, industry or sector partnership, or labor organization.

"(B) RELATED DEFINITIONS.—In subparagraph (A):

"(i) AREA CAREER AND TECHNICAL EDUCATION SCHOOL.—The term 'area career and technical education school' means such a school, as defined in section 3 of the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2302), which participates in a program under that Act (20 U.S.C. 2301 et seq.).

"(ii) COMMUNITY COLLEGE.—The term 'community college' means an institution which—

"(I) is a junior or community college as defined in section 312(f) of the Higher Education Act of 1965 (20 U.S.C. 1058(f)), except that the institution need not meet the requirements of paragraph (1) of that section, and

"(II) participates in a program under title IV of that Act (20 U.S.C. 1070 et seq.).

"(iii) INDUSTRY OR SECTOR PARTNERSHIP.—The term 'industry or sector partnership' has the meaning given such term under section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

"(iv) INDUSTRY TRADE ASSOCIATION.—The term 'industry trade association' means an organization which—

"(I) is described in paragraph (3) or (6) of section 501(c) and exempt from taxation under section 501(a), and

"(II) is representing an industry.

"(v) LABOR ORGANIZATION.—The term 'labor organization' means a labor organization, within the meaning of the term in section 501(c)(5).

"(vi) RECOGNIZED POSTSECONDARY CREDENTIAL.—The term 'recognized postsecondary credential' means a credential that is listed under section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)) for the State involved and consists of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the State involved or Federal Government, or an associate or baccalaureate degree.

"(3) NON-HIGHLY COMPENSATED EMPLOYEE.—For purposes of paragraph (1), the term 'non-highly compensated employee' means an employee of the taxpayer whose remuneration for the taxable year for services provided to the taxpayer does not exceed 60 percent of the amount applicable for such taxable year under clause (i) of section 414(q)(1)(B).

"(c) ADJUSTED QUALIFIED TRAINING EXPENDITURES.—For purposes of this section, the term 'adjusted qualified training expenses' means, with respect to any taxable year—

"(1) the qualified training expenditures for such taxable year, multiplied by

"(2) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year for which the credit is being determined begins, except that section 1(f)(3)(A)(ii) shall be applied by using the CPI for the calendar year in which the taxable year in which qualified training expenses were paid or incurred begins in lieu of the CPI for calendar year 2016.

"(d) SPECIAL RULES.—For purposes of this section—

"(1) SPECIAL RULE IN CASE OF NO QUALIFIED TRAINING EXPENDITURES IN ANY OF 3 PRECEDING TAXABLE YEARS.—

"(A) TAXPAYERS TO WHICH PARAGRAPH APPLIES.—The credit under this section shall be determined under this paragraph if the taxpayer has no qualified training expenditures in any one of the 3 taxable years preceding the taxable year for which the credit is being determined.

"(B) CREDIT RATE.—The credit determined under this paragraph shall be equal to 10 percent of the qualified training expenditures for the taxable year.

"(2) AGGREGATION AND ALLOCATION OF EXPENDITURES, ETC.—Rules similar to the rules of paragraphs (1), (2), (3), (4), and (5) of section 41(f) shall apply.

"(e) ELECTION TO APPLY CREDIT AGAINST PAYROLL TAXES.—

"(1) IN GENERAL.—At the election of a qualified small business or a qualified tax-exempt organization (as defined in section 3111(e)(5)(A)) for any taxable year, section 3111(g) shall apply to the payroll tax credit portion of the credit otherwise determined under subsection (a) for the taxable year and such portion shall not be treated (other than for purposes of section 280C) as a credit determined under subsection (a).

"(2) PAYROLL TAX CREDIT PORTION.—For purposes of this subsection, the payroll tax credit portion of the credit determined under subsection (a) with respect to any qualified small business or qualified tax-exempt organization for any taxable year is the least of—

"(A) the amount specified in the election made under this subsection,

"(B) the credit determined under subsection (a) for the taxable year (determined before the application of this subsection), or

"(C) in the case of a qualified small business other than a partnership or S corporation, the amount of the business credit carryforward under section 39 carried from the taxable year (determined before the application of this subsection to the taxable year).

"(3) QUALIFIED SMALL BUSINESS.—For purposes of this subsection—

"(A) IN GENERAL.—The term 'qualified small business' means, with respect to any taxable year—

"(i) a corporation or partnership if the gross receipts (as determined under the rules of section 448(c)(3), without regard to subparagraph (A) thereof) of such entity for the taxable year is less than $5,000,000, and

"(ii) any person (other than a corporation or partnership) who meets the requirements of clause (i), determined—

"(I) by substituting 'person' for 'entity', and

"(II) by only taking into account the aggregate gross receipts received by such person in carrying on all trades or businesses of such person.

"(B) LIMITATION.—Such term shall not include an organization which is exempt from taxation under section 501.

"(4) ELECTION.—

"(A) IN GENERAL.—Any election under this subsection for any taxable year—

"(i) shall specify the amount of the credit to which such election applies,

"(ii) shall be made on or before the due date (including extensions) of—

"(I) in the case of a partnership, the return required to be filed under section 6031,

"(II) in the case of an S corporation, the return required to be filed under section 6037, and

"(III) in the case of any other qualified small business or qualified tax-exempt organization, the return of tax for the taxable year, and

"(iii) may be revoked only with the consent of the Secretary.

"(B) LIMITATION.—The amount specified in any election made under this subsection shall not exceed $250,000.

"(C) SPECIAL RULE FOR PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation, the election made under this subsection shall be made at the entity level.

“(5) AGGREGATION RULES.—

“(A) IN GENERAL.—Except as provided in subparagraph (B)—

“(i) all members of the same controlled group of corporations shall be treated as a single taxpayer, and

“(ii) all trades or businesses (whether or not incorporated) which are under common control shall be treated as a single taxpayer.

“(B) SPECIAL RULES.—For purposes of this subsection and section 3111(g)—

“(i) each of the persons treated as a single taxpayer under subparagraph (A) may separately make the election under paragraph (1) for any taxable year, and

“(ii) the $250,000 amount under paragraph (3)(B) shall be allocated among all persons treated as a single taxpayer under subparagraph (A) in the manner provided by the Secretary which is similar to the manner provided under section 41(f)(1).

"(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection, including—

"(A) regulations to prevent the avoidance of the purposes of the limitations and aggregation rules under this subsection,

"(B) regulations to minimize compliance and recordkeeping burdens under this subsection,

"(C) regulations for recapturing the benefit of credits determined under section 3111(g) in cases where there is a recapture or a subsequent adjustment to the payroll tax credit portion of the credit determined under subsection (a), including requiring amended income tax returns in the cases where there is such an adjustment, and

"(D) regulations to require the collection and reporting of demographic information with respect to the race, ethnicity, and gender of the individuals with respect to whom a taxpayer makes qualified training expenditures for which a credit is allowed under this section.".

(2) CREDIT PART OF GENERAL BUSINESS CREDIT.—Section 38(b) of the Internal Revenue

Code of 1986 is amended by striking ''plus'' at the end of paragraph (40), by striking the period at the end of paragraph (41) and inserting '', plus'', and by adding at the end the following new paragraph:

''(42) the employer-provided worker training credit determined under section 45BB(a).''.

(3) COORDINATION WITH DEDUCTIONS.—Section 280C of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

''(i) EMPLOYER-PROVIDED WORKER TRAINING CREDIT.—No deduction shall be allowed for that portion of the expenses otherwise allowable as a deduction taken into account in determining the credit under section 45BB for the taxable year which is equal to the amount of the credit determined for such taxable year under section 45BB(a).''.

(4) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 45BB. Employer-provided worker training credit.''.

(b) CREDIT ALLOWED AGAINST ALTERNATIVE MINIMUM TAX.—Subparagraph (B) of section 38(c)(4) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating clauses (x), (xi), and (xii) as clauses (xi), (xii), and (xiii), respectively, and

(2) by inserting after clause (ix) the following new clause:

"(x) the credit determined under section 45BB with respect to an eligible small business (as defined in paragraph (5)(C), after application of rules similar to the rules of paragraph (5)(D)),".

(c) PAYROLL TAX CREDIT.—Section 3111 of the Internal Revenue Code of 1986 is amended by adding at the end the following new subsection:

"(g) CREDIT FOR WORKER TRAINING EXPENSES.—

"(1) IN GENERAL.—In the case of a taxpayer who has made an election under section 45BB(e) for a taxable year, there shall be allowed as a credit against the tax imposed by subsection (a) for the first calendar quarter which begins after the date on which the taxpayer files the return specified in section 45BB(e)(4)(A)(ii) an amount equal to the payroll tax credit portion determined under section 45BB(e)(2).

"(2) LIMITATION.—The credit allowed by paragraph (1) shall not exceed the tax imposed by subsection (a) for any calendar quarter on the wages paid with respect to the employment of all individuals in the employ of the employer.

"(3) CARRYOVER OF UNUSED CREDIT.—If the amount of the credit under paragraph (1) exceeds the limitation of paragraph (2) for any calendar quarter, such excess shall be carried to the succeeding calendar quarter and allowed as a credit under paragraph (1) for such quarter.

"(4) DEDUCTION ALLOWED FOR CREDITED AMOUNTS.—The credit allowed under paragraph (1) shall not be taken into account for purposes of determining the amount of any deduction allowed under chapter 1 for taxes imposed under subsection (a).".

(d) SIMPLIFIED FILING FOR CERTAIN SMALL BUSINESSES.—The Secretary of the Treasury, in consultation with the Administrator of the Small Business Administration, shall provide for a method of filing returns of tax and information returns required under the Internal Revenue Code of 1986 in a simplified format, to the extent possible, for employers with less than $5,000,000 in annual gross receipts (as determined under guidance provided by the Secretary).

(e) REGULATIONS RELATING TO POSTSECONDARY CREDENTIALS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Labor, in consultation with the Secretary of the Treasury, shall issue regulations or other guidance applying the definition of the term ''recognized postsecondary credential'' as provided in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

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

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