

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4878

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for 20 percent of the employee training expenses paid or incurred by the employer.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 1994

Mr. MCHALE introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for 20 percent of the employee training expenses paid or incurred by the employer.

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 “Job Training Tax  
5 Credit Act of 1994”.

1 **SEC. 2. EMPLOYER CREDIT FOR JOB TRAINING PROGRAM**  
2 **EXPENSES.**

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 (relating to business-related credits) is amended by  
6 adding at the end the following new section:

7 **“SEC. 45C. JOB TRAINING PROGRAM EXPENSES.**

8 “(a) GENERAL RULE.—For purposes of section 38,  
9 in the case of an employer, the job training program credit  
10 determined under this section is an amount equal to 20  
11 percent of job training program expenses paid or incurred  
12 by the taxpayer during the taxable year.

13 “(b) LIMITATION.—The amount of job training pro-  
14 gram expenses with respect to an employee which may be  
15 taken into account under subsection (a) for the taxable  
16 year shall not exceed \$6,000.

17 “(c) JOB TRAINING PROGRAM EXPENSES.—For pur-  
18 poses of this section, the term ‘job training program ex-  
19 penses’ means expenses incurred by reason of the partici-  
20 pation of an employee of the taxpayer in any job training  
21 program funded in whole or in part with Federal funds.”

22 (b) CREDIT TO BE PART OF GENERAL BUSINESS  
23 CREDIT.—Subsection (b) of section 38 of such Code is  
24 amended by striking “plus” at the end of paragraph (10),  
25 by striking the period at the end of paragraph (11) and

1 inserting “, plus”, and by adding at the end the following  
2 new paragraph:

3 “(12) in the case of an employer, the job train-  
4 ing program credit determined under section 45C.”

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

“Sec. 45C. Job training program expenses.”

9 (d) EFFECTIVE DATE.—The amendments made by  
10 this section shall apply to amounts paid or incurred after  
11 the date of the enactment of this Act in taxable years end-  
12 ing after such date.

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