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(Original Signature of Member)

117TH CONGRESS
2D SESSION

H. R. _____

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax as an incentive to partner with educational institutions to improve workforce development and job training for students and a credit against income tax for certain expenses of job training programs.

IN THE HOUSE OF REPRESENTATIVES

Ms. KUSTER of New Hampshire introduced the following bill; which was referred to the Committee on _____

A BILL

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax as an incentive to partner with educational institutions to improve workforce development and job training for students and a credit against income tax for certain expenses of job training programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Workforce Develop-
3 ment Investment Act of 2022”.

4 **SEC. 2. CREDIT FOR EMPLOYERS WHICH PARTNER WITH**
5 **EDUCATIONAL INSTITUTIONS TO IMPROVE**
6 **WORKFORCE DEVELOPMENT AND JOB TRAIN-**
7 **ING FOR STUDENTS.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-
9 chapter A of chapter 1 of the Internal Revenue Code of
10 1986 is amended by adding at the end the following new
11 section:

12 **“SEC. 45U. EMPLOYERS PARTNERING WITH EDUCATIONAL**
13 **INSTITUTIONS TO IMPROVE WORKFORCE DE-**
14 **VELOPMENT AND JOB TRAINING FOR STU-**
15 **DENTS.**

16 “(a) GENERAL RULE.—For purposes of section 38,
17 the employer partnering credit determined under this sec-
18 tion for any taxable year is an amount equal to \$5,000
19 for each qualified educational institution engaged in a
20 qualified partnership with the employer.

21 “(b) MAXIMUM CREDIT.—

22 “(1) IN GENERAL.—The credit determined
23 under this section for any taxable year shall not ex-
24 ceed \$20,000.

25 “(2) CONTROLLED GROUPS.—All persons treat-
26 ed as a single employer under subsection (b), (c),

1 (m), or (o) of section 414 shall be treated as a single
2 employer for purposes of paragraph (1).

3 “(c) DEFINITIONS.—For purposes of this section—

4 “(1) QUALIFIED EDUCATIONAL INSTITUTION.—

5 The term ‘qualified educational institution’ means
6 any community college, any other institution of high-
7 er education, and any area career and technical edu-
8 cation school.

9 “(2) COMMUNITY COLLEGE.—The term ‘com-
10 munity college’ means an institution of higher edu-
11 cation that—

12 “(A) admits as a regular student an indi-
13 vidual who is beyond the age of compulsory
14 school attendance in the State in which the in-
15 stitution is located and who has the ability to
16 benefit from the training offered by the institu-
17 tion, and

18 “(B) offers a 2-year program in engineer-
19 ing, mathematics, or the physical or biological
20 sciences designed to prepare a student to work
21 as a technician or at the semiprofessional level
22 in engineering, scientific, or other technological
23 fields requiring the understanding and applica-
24 tion of basic engineering, scientific, or mathe-
25 matical principles of knowledge.

1 “(3) INSTITUTION OF HIGHER EDUCATION.—
2 The term ‘institution of higher education’ has the
3 meaning given such term in section 102 of the High-
4 er Education Act of 1965 (20 U.S.C. 1002).

5 “(4) AREA CAREER AND TECHNICAL EDU-
6 CATION SCHOOL.—The term ‘area career and tech-
7 nical education school’ has the meaning given such
8 term in section 3 of the Carl D. Perkins Career and
9 Technical Education Act of 2006 (29 U.S.C. 2302).

10 “(5) QUALIFIED PARTNERSHIP.—Not later
11 than six months after the date of the enactment of
12 this section, the Secretary of Education, in consulta-
13 tion with the Secretary of Labor, shall define the
14 term ‘qualified partnership’. Such term shall include
15 a partnership through which—

16 “(A) an employer collaborates with an edu-
17 cational institution to help develop curriculum
18 in order to improve workforce development and
19 job training for students,

20 “(B) an employer helps provide instruction
21 to students in the classroom, and

22 “(C) an employer provides internships, ap-
23 prenticeships, or other similar educational op-
24 portunities in the workplace for students.

1 The Secretary shall, to the extent practicable, mini-
2 mize the burdens of educational institutions in any
3 qualification process or requirements prescribed
4 under this paragraph.

5 “(d) CERTAIN RULES TO APPLY.—For purposes of
6 this section, rules similar to the rules of subsections (c),
7 (d), and (e) of section 52 shall apply.”.

8 (b) CREDIT TO BE PART OF GENERAL BUSINESS
9 CREDIT.—Section 38(b) of such Code is amended by strik-
10 ing “plus” at the end of paragraph (32), by striking the
11 period at the end of paragraph (33) and inserting “, plus”,
12 and by adding at the end the following new paragraph:

13 “(34) the employer partnering credit deter-
14 mined under section 45U.”.

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

“Sec. 45U. Employers partnering with educational institutions to improve
workforce development and job training for students.”.

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

1 **SEC. 3. TAX CREDIT FOR EMPLOYERS WHO ENGAGE IN**
2 **QUALIFIED WORKER TRAINING.**

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, as amended by the preceding provisions of this Act,
6 is amended by adding at the end the following new section:

7 **“SEC. 45V. CREDIT FOR EMPLOYERS WHO ENGAGE IN**
8 **QUALIFIED WORKER TRAINING.**

9 “(a) IN GENERAL.—For purposes of section 38, in
10 the case of any employer, the worker training tax credit
11 determined under this section with respect to any eligible
12 employee of the employer is an amount equal to the lesser
13 of—

14 “(1) 50 percent of the job training program ex-
15 penditures of the taxpayer with respect to such em-
16 ployee during the taxable year, or

17 “(2) \$5,000.

18 “(b) JOB TRAINING PROGRAM EXPENSES.—For pur-
19 poses of this section—

20 “(1) IN GENERAL.—The term ‘job training pro-
21 gram expenses’ means amounts paid or incurred by
22 the employer for expenses incurred by or on behalf
23 of an eligible employee for participation in a quali-
24 fied training program.

25 “(2) QUALIFIED TRAINING PROGRAM.—The
26 term ‘qualified training program’ means—

1 “(A) a qualified partnership (as defined in
2 section 45U(c)(5)), or

3 “(B) an apprenticeship program registered
4 and certified with the Secretary of Labor under
5 section 1 of the National Apprenticeship Act
6 (29 U.S.C. 50).

7 “(c) ELIGIBLE EMPLOYEE.—For purposes of this
8 section, the term ‘eligible employee’ means any employee
9 of the employer who, while participating in the qualified
10 training program, is—

11 “(1) employed on average at least 40 hours of
12 service per week, or

13 “(2) in the case of a qualified training program
14 with a qualified partnership (as defined in section
15 45U(c)(5)), meets such hourly work requirements as
16 may be specified by the Secretary of Education in
17 connection with such partnership.

18 “(d) RECAPTURE OF CREDIT FOR EMPLOYEE NOT
19 PERFORMING MINIMUM SERVICE.—

20 “(1) IN GENERAL.—In the case of any em-
21 ployee with respect to whom a credit is allowed
22 under this section and whose employment is termi-
23 nated by the employer (other than by reason of such
24 employee’s gross misconduct) before the end of the
25 2-year period beginning on the first day of the em-

1 ployee’s study or training with respect to which a
2 credit is allowed under this section, the tax of the
3 taxpayer under this chapter for the taxable year dur-
4 ing which such termination occurs shall be increased
5 by an amount equal to—

6 “(A) the aggregate decrease in the credits
7 allowed under section 38 for all prior taxable
8 years which would have resulted if the job
9 training program expenses with respect to such
10 employee had been zero, multiplied by

11 “(B) the inclusion ratio.

12 “(2) INCLUSION RATIO.—For purposes of this
13 subsection, the inclusion ratio is the ratio which—

14 “(A) an amount equal to the difference
15 of—

16 “(i) the number of days in the 2-year
17 period, over

18 “(ii) the number of days such em-
19 ployee was employed by the employer dur-
20 ing such 2-year period, bears to

21 “(B) the number of days in the 2-year pe-
22 riod.

23 “(e) CONTROLLED GROUPS.—For purposes of this
24 section, all persons treated as a single employer under sub-

1 section (b), (c), (m), or (o) of section 414 shall be treated
2 as a single employer.”.

3 (b) CREDIT TO BE PART OF GENERAL BUSINESS
4 CREDIT.—Subsection (b) of section 38 of such Code, as
5 amended by the preceding provisions of this Act, is amend-
6 ed by striking “plus” at the end of paragraph (33), by
7 striking the period at the end of paragraph (34) and in-
8 serting “, plus”, and by adding at the end the following
9 new paragraph:

10 “(35) the worker training tax credit determined
11 under section 45V(a).”.

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

“Sec. 45V. Credit for employers who engage in qualified worker training.”.

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