

114TH CONGRESS
1ST SESSION

H. R. 1781

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

IN THE HOUSE OF REPRESENTATIVES

APRIL 14, 2015

Ms. SEWELL of Alabama (for herself, Mr. BYRNE, Mr. RYAN of Ohio, Mr. VAN HOLLEN, Mr. RUIZ, Mr. CROWLEY, and Mr. CARNEY) 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 wages paid to 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 “Workforce Develop-
5 ment Tax Credit Act of 2015”.

1 **SEC. 2. CREDIT FOR WAGES PAID TO EMPLOYEES PARTICI-**
2 **PATING IN QUALIFIED APPRENTICESHIP**
3 **PROGRAMS.**

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

8 **“SEC. 45S. WAGES PAID TO EMPLOYEES PARTICIPATING IN**
9 **QUALIFIED APPRENTICESHIP PROGRAMS.**

10 “(a) IN GENERAL.—For purposes of section 38, the
11 apprenticeship credit determined under this section for the
12 taxable year is the sum of—

13 “(1) the apprenticeship period credit, and

14 “(2) the post-apprenticeship credit.

15 “(b) APPRENTICESHIP PERIOD CREDIT.—For pur-
16 poses of subsection (a)—

17 “(1) IN GENERAL.—The apprenticeship period
18 credit for the taxable year is 50 percent of the wages
19 paid for services rendered during the taxable year to
20 each apprenticeship employee but only if such wages
21 are paid for services rendered during a qualified
22 training year of such employee (whether or not such
23 employee is an employee of the taxpayer as of the
24 close of such taxable year).

25 “(2) LIMITATION ON WAGES PER YEAR TAKEN
26 INTO ACCOUNT.—The amount of wages which may

1 be taken into account under paragraph (1) with re-
2 spect to any apprenticeship employee for each quali-
3 fied training year shall not exceed \$2,000.

4 “(c) POST-APPRENTICESHIP CREDIT.—For purposes
5 of subsection (a)—

6 “(1) IN GENERAL.—The post-apprenticeship
7 credit for the taxable year is 40 percent of the wages
8 paid for services rendered during the taxable year
9 and the preceding taxable year to each employee who
10 has successfully completed a qualified training pro-
11 gram of the employer, but only if—

12 “(A) such wages are paid by such employer
13 for services rendered during the 2-year period
14 which begins on the day after the employee’s
15 completion of such program, and

16 “(B) the employee is performing such serv-
17 ices in a position which utilizes skills acquired
18 in the qualified training program.

19 “(2) LIMITATION ON WAGES PER YEAR TAKEN
20 INTO ACCOUNT.—The amount of wages which may
21 be taken into account under paragraph (1) for a tax-
22 able year with respect to any apprenticeship em-
23 ployee shall not exceed \$6,000.

24 “(3) RECAPTURE FOR FAILURE OF EMPLOYEE
25 TO SERVE AT LEAST 1 YEAR AFTER COMPLETION OF

1 APPRENTICESHIP.—The Secretary shall, by regula-
2 tions, provide for recapturing the amount of any
3 post-apprenticeship credit allowed under subsection
4 (a) with respect to any individual who is employed
5 by the employer for less than 1 year after the indi-
6 vidual completed such program.

7 “(d) DEFINITIONS.—For purposes of this section—

8 “(1) WAGES.—The term ‘wages’ has the mean-
9 ing given to such term by section 51(c), determined
10 without regard to paragraph (4) thereof.

11 “(2) APPRENTICESHIP EMPLOYEE.—The term
12 ‘apprenticeship employee’ means any employee who
13 is employed by the employer pursuant to an appren-
14 tice agreement registered with the Office of Appren-
15 ticeship of the Employment and Training Adminis-
16 tration of the Department of Labor.

17 “(3) QUALIFIED TRAINING YEAR.—

18 “(A) IN GENERAL.—The term ‘qualified
19 training year’ means each year during the
20 training period in which—

21 “(i) the employee is employed by the
22 employer for at least 25 hours per week
23 during 28 consecutive weeks of such year,
24 and

1 “(ii) the employee completes at least 8
2 credit hours of classroom work under a
3 qualified training program for each semes-
4 ter of such program ending during such
5 year.

6 “(B) QUALIFIED TRAINING PROGRAM.—
7 The term ‘qualified training program’ means
8 any training program undertaken pursuant to
9 the agreement referred to in paragraph (2).

10 “(C) TRAINING PERIOD.—The term ‘train-
11 ing period’ means, with respect to an employee,
12 the period—

13 “(i) beginning on the date that the
14 employee begins employment with the tax-
15 payer as an apprentice under a qualified
16 training program, and

17 “(ii) ending on the earlier of—

18 “(I) the date that such appren-
19 ticeship with the employer ends, or

20 “(II) the date which is 2 years
21 after the date referred to in clause (i).

22 “(e) COORDINATION WITH OTHER CREDITS.—The
23 amount of credit otherwise allowable under sections 45A,
24 51(a), and 1396(a) with respect to any employee shall be

1 reduced by the credit allowed by this section with respect
2 to such employee.

3 “(f) CERTAIN RULES TO APPLY.—Rules similar to
4 the rules of subsections (i)(1) and (k) of section 51 shall
5 apply for purposes of this section.”.

6 (b) CREDIT MADE PART OF GENERAL BUSINESS
7 CREDIT.—Subsection (b) of section 38 of such Code is
8 amended by striking “plus” at the end of paragraph (35),
9 by striking the period at the end of paragraph (36) and
10 inserting “, plus”, and by adding at the end the following
11 new paragraph:

12 “(37) the apprenticeship credit determined
13 under section 45S(a).”.

14 (c) DENIAL OF DOUBLE BENEFIT.—Subsection (a)
15 of section 280C of such Code is amended by inserting
16 “45S(a),” after “45P(a),”.

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

“Sec. 45S. Wages paid to employees participating in qualified apprenticeship
programs.”.

21 (e) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to individuals commencing appren-

1 ticeship programs after the date of the enactment of this
2 Act.

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