

113TH CONGRESS  
2D SESSION

# H. R. 4204

To amend the Internal Revenue Code of 1986 to provide a credit against tax for job training expenses of employers.

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IN THE HOUSE OF REPRESENTATIVES

MARCH 11, 2014

Mr. MAFFEI 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 provide a credit against tax for job training expenses of employers.

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 “Jobs and Opportunity  
5 Bonus Tax Credit Act of 2014” or the “JOB Tax Credit  
6 Act”.

7 **SEC. 2. JOBS AND OPPORTUNITY BONUS CREDIT.**

8 (a) IN GENERAL.—Subpart D of part IV of sub-  
9 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new  
2 section:

3 **“SEC. 45S. JOBS AND OPPORTUNITY BONUS CREDIT.**

4 “(a) IN GENERAL.—For purposes of section 38, in  
5 the case of an eligible employer, the jobs and opportunity  
6 bonus credit determined under this section with respect  
7 to any eligible employee of the employer is an amount  
8 equal to the lesser of—

9 “(1) 50 percent of the job training program ex-  
10 penditures of the taxpayer with respect to such em-  
11 ployee during the taxable year, or

12 “(2) \$5,000.

13 “(b) ELIGIBLE EMPLOYER.—For purposes of this  
14 section, the term ‘eligible employer’ means an employer  
15 which employed an average of not more than 500 full-time  
16 employees during the taxable year.

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

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

24 “(2) QUALIFIED TRAINING PROGRAM.—For  
25 purposes of this subsection, the term ‘qualified train-

1 ing program’ means any of the following written  
2 plans of study and training:

3 “(A) 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 “(B) A program licensed, registered, or  
8 certified by the workforce investment board or  
9 apprenticeship agency or council of a State or  
10 administered in compliance with apprenticeship  
11 laws of a State.

12 “(C) A program conducted by a vocational  
13 or technical education school, community col-  
14 lege, industrial or trade training organization,  
15 or labor organization.

16 “(D) A program which conforms to ap-  
17 prentice training programs developed or admin-  
18 istered by an employer trade group or com-  
19 mittee.

20 “(E) An industry sponsored or adminis-  
21 tered program which is clearly identified and  
22 commonly recognized.

23 “(d) ELIGIBLE EMPLOYEE.—For purposes of this  
24 section, the term ‘eligible employee’ means any employee  
25 of the employer, who while participating in the job skills

1 training program is employed on average at least 40 hours  
2 of service per week.

3 “(e) RECAPTURE OF CREDIT FOR EMPLOYEE NOT  
4 PERFORMING MINIMUM SERVICE.—

5 “(1) IN GENERAL.—In the case of any em-  
6 ployee with respect to whom a credit is allowed  
7 under this section and whose employment is termi-  
8 nated by the employer (other than by reason of such  
9 employee’s gross misconduct) before the end of the  
10 2-year period beginning on the first day of the em-  
11 ployee’s study or training with respect to which a  
12 credit is allowed under this section, the tax of the  
13 taxpayer under this chapter for the taxable year dur-  
14 ing which such termination occurs shall be increased  
15 by an amount equal to—

16 “(A) the aggregate decrease in the credits  
17 allowed under section 38 for all prior taxable  
18 years which would have resulted if the job  
19 training program expenses with respect to such  
20 employee had been zero, multiplied by

21 “(B) the inclusion ratio.

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

24 “(A) an amount equal to the difference  
25 of—

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

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

6 “(B) the number of days in the 2-year pe-  
7 riod.

8 “(f) CONTROLLED GROUPS.—For purposes of this  
9 section, all persons treated as a single employer under sub-  
10 section (b), (c), (m), or (o) of section 414 shall be treated  
11 as a single employer.

12 “(g) TERMINATION.—The section shall not apply  
13 amounts paid or incurred during taxable years beginning  
14 after December 31, 2017.”.

15 (b) CREDIT TO BE PART OF GENERAL BUSINESS  
16 CREDIT.—Subsection (b) of section 38 of such Code is  
17 amended by striking “plus” at the end of paragraph (35),  
18 by striking the period at the end of paragraph (36) and  
19 inserting “, plus”, and by adding at the end the following  
20 new paragraph:

21 “(37) the jobs and opportunity bonus credit de-  
22 termined under section 45S(a).”.

23 (c) CLERICAL AMENDMENT.—The table of sections  
24 for subpart D of part IV of subchapter A of chapter 1

1 of such Code is amended by adding at the end the fol-  
2 lowing new item:

“Sec. 45S. Jobs and opportunity bonus credit.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by  
4 this section shall apply to taxable years beginning after  
5 December 31, 2014.

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