

111TH CONGRESS
1ST SESSION

H. R. 4348

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for expenses incurred in teleworking.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2009

Mr. WITTMAN 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 a credit against income tax for expenses incurred in teleworking.

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 “Telework Tax Incen-
5 tive Act”.

6 **SEC. 2. FINDINGS.**

7 The Congress finds as follows:

8 (1) Federal, State and local governments spend
9 billions of dollars annually on the Nation’s transpor-
10 tation needs.

1 (2) Congestion on the Nation's roads resulted
2 in costs of over \$87,000,000 in 2007, in extra time
3 and fuel used, to drivers in the Nation's 439 urban
4 areas, an increase of more than 50 percent over the
5 previous decade.

6 (3) On average, on-road-vehicles contributed
7 31.9 percent of nitrogen oxide emissions in 2008.

8 (4) It was recently reported that if the 40 per-
9 cent of United States workers who have jobs that
10 are compatible with teleworking worked at home half
11 of the time, that would save 450 million barrels of
12 oil, reduce greenhouse gases by 84 million tons, and
13 reduce highway maintenance costs by over \$3 billion
14 annually.

15 (5) The average American daily commute is 51
16 minutes for a round-trip (a total of 204 hours, or
17 8.5 days, per year.)

18 (6) The National Science Foundation found
19 that teleworking increased employee productivity by
20 87 percent and the Census Bureau reported that 73
21 percent of teleworkers felt they accomplished more
22 work on telework days than when they were in the
23 office.

1 (7) In 2003, 77 million workers used a com-
2 puter at work, accounting for 55.5 percent of total
3 employment.

4 (8) In recent years, studies performed in the
5 United States have shown a marked expansion of
6 teleworking, with 76 percent of private sector em-
7 ployers now providing technical support for remote
8 workers, an increase of 27 percent over 2007. 56
9 percent of Federal IT professionals indicated that
10 their agencies provide technical support for tele-
11 workers.

12 **SEC. 3. CREDIT FOR TELEWORKING.**

13 (a) IN GENERAL.—Subpart B of part IV of sub-
14 chapter A of chapter 1 of the Internal Revenue Code of
15 1986 (relating to foreign tax credit, etc.) is amended by
16 adding at the end the following new section:

17 **“SEC. 30E. TELEWORKING CREDIT.**

18 “(a) ALLOWANCE OF CREDIT.—In the case of an eli-
19 gible taxpayer, there shall be allowed as a credit against
20 the tax imposed by this chapter for the taxable year an
21 amount equal to the qualified teleworking expenses paid
22 or incurred by the taxpayer during such year.

23 “(b) MAXIMUM CREDIT.—

24 “(1) PER TELEWORKER LIMITATION.—The
25 credit allowed by subsection (a) for a taxable year

1 with respect to qualified teleworking expenses paid
2 or incurred by or on behalf of an individual tele-
3 worker shall not exceed \$1,000.

4 “(2) REDUCTION FOR TELEWORKING LESS
5 THAN FULL YEAR.—In the case of an individual who
6 is in a teleworking arrangement for less than a full
7 taxable year, the amount referred to in paragraph
8 (1) shall be reduced by an amount which bears the
9 same ratio to \$1,000 as the number of months in
10 which such individual is not in a teleworking ar-
11 rangement bears to 12. For purposes of the pre-
12 ceding sentence, an individual shall be treated as
13 being in a teleworking arrangement for a month if
14 the individual is subject to such arrangement for any
15 day of such month.

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

17 “(1) ELIGIBLE TAXPAYER.—The term ‘eligible
18 taxpayer’ means—

19 “(A) in the case of an individual, an indi-
20 vidual who performs services for an employer
21 under a teleworking arrangement, and

22 “(B) in the case of an employer, an em-
23 ployer for whom employees perform services
24 under a teleworking arrangement.

1 “(2) TELEWORKING ARRANGEMENT.—The term
2 ‘teleworking arrangement’ means an arrangement
3 under which an employee teleworks for an employer
4 not less than 75 days per year.

5 “(3) QUALIFIED TELEWORKING EXPENSES.—
6 The term ‘qualified teleworking expenses’ means ex-
7 penses paid or incurred under a teleworking ar-
8 rangement for furnishings and electronic information
9 equipment which are used to enable an individual to
10 telework.

11 “(4) TELEWORK.—The term ‘telework’ means
12 to perform work functions, using electronic informa-
13 tion and communication technologies, thereby reduc-
14 ing or eliminating the physical commute to and from
15 the traditional worksite.

16 “(d) LIMITATION BASED ON AMOUNT OF TAX.—

17 “(1) LIABILITY FOR TAX.—The credit allowable
18 under subsection (a) for any taxable year shall not
19 exceed the excess (if any) of—

20 “(A) the regular tax for the taxable year,
21 reduced by the sum of the credits allowable
22 under subpart A and the preceding sections of
23 this subpart, over

24 “(B) the tentative minimum tax for the
25 taxable year.

1 “(2) CARRYFORWARD OF UNUSED CREDIT.—If
2 the amount of the credit allowable under subsection
3 (a) for any taxable year exceeds the limitation under
4 paragraph (1) for the taxable year, the excess shall
5 be carried to the succeeding taxable year and added
6 to the amount allowable as a credit under subsection
7 (a) for such succeeding taxable year.

8 “(e) SPECIAL RULES.—

9 “(1) BASIS REDUCTION.—The basis of any
10 property for which a credit is allowable under sub-
11 section (a) shall be reduced by the amount of such
12 credit (determined without regard to subsection (d)).

13 “(2) RECAPTURE.—The Secretary shall, by reg-
14 ulations, provide for recapturing the benefit of any
15 credit allowable under subsection (a) with respect to
16 any property which ceases to be property eligible for
17 such credit.

18 “(3) PROPERTY USED OUTSIDE UNITED
19 STATES, ETC., NOT QUALIFIED.—No credit shall be
20 allowed under subsection (a) with respect to any
21 property referred to in section 50(b) or with respect
22 to the portion of the cost of any property taken into
23 account under section 179.

24 “(4) ELECTION TO NOT TAKE CREDIT.—No
25 credit shall be allowed under subsection (a) for any

1 expense if the taxpayer elects to not have this sec-
2 tion apply with respect to such expense.

3 “(5) DENIAL OF DOUBLE BENEFIT.—No deduc-
4 tion or credit (other than under this section) shall
5 be allowed under this chapter with respect to any ex-
6 pense which is taken into account in determining the
7 credit under this section.”.

8 (b) TECHNICAL AMENDMENT.—Subsection (a) of
9 section 1016 of the Internal Revenue Code of 1986 is
10 amended by striking “and” at the end of paragraph (36),
11 by striking the period at the end of paragraph (37) and
12 inserting “; and”, and by adding at the end the following
13 new paragraph:

14 “(38) to the extent provided in section 30E(e),
15 in the case of amounts with respect to which a credit
16 has been allowed under section 30E.”.

17 (c) CLERICAL AMENDMENT.—The table of sections
18 for subpart B of part IV of subchapter A of chapter 1
19 of the Internal Revenue Code of 1986 is amended by add-
20 ing at the end the following new item:

“Sec. 30E. Teleworking credit.”.

21 (d) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to amounts paid or incurred after
23 the date of the enactment of this Act, in taxable years
24 ending after such date.