

106TH CONGRESS
2D SESSION

H. R. 5597

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax for internships and fellowships related to information technology.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 27, 2000

Ms. MILLENDER-MCDONALD 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 internships and fellowships related to information technology.

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 “Technology Training
5 Tax Credit Act of 2000”.

6 **SEC. 2. CREDIT FOR INTERNSHIPS AND FELLOWSHIPS RE-**
7 **LATING TO INFORMATION TECHNOLOGY.**

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

1 1986 (relating to business related credits) is amended by
2 adding at the end thereof the following new section:

3 **“SEC. 45D. INTERNSHIPS AND FELLOWSHIPS RELATING TO**
4 **INFORMATION TECHNOLOGY.**

5 “(a) GENERAL RULE.—For purposes of section 38,
6 the amount of the information technology internship and
7 fellowship credit determined under this section for the tax-
8 able year is 75 percent of the qualified technology training
9 expenses paid or incurred by the taxpayer during the tax-
10 able year.

11 “(b) INCREASE IN PERCENTAGE WITH RESPECT TO
12 MEMBERS OF TARGETED GROUPS AND EMPLOYEE RE-
13 SIDING IN CERTAIN AREAS.—Subsection (a) shall be ap-
14 plied by substituting ‘100 percent’ for ‘75 percent’ in the
15 case of qualified technology training expenses with respect
16 to an eligible individual and who—

17 “(1) is a member of a targeted group (as de-
18 fined in section 51(d)), or

19 “(2) resides in—

20 “(A) an empowerment zone or enterprise
21 community designated under section 1391,

22 “(B) a school district in which 50 percent
23 or more of the students are eligible for free or
24 reduced-cost lunches under the school lunch

1 program established under the National School
2 Lunch Act, or

3 “(C) in an area designated as a disaster
4 area by the Secretary of Agriculture or by the
5 President under the Robert T. Stafford Dis-
6 aster Relief and Emergency Assistance Act in
7 the taxable year or the 5 preceding taxable
8 years.

9 For purposes of the preceding sentence, the deter-
10 mination of whether an individual is a member of a
11 targeted group or resides in an area described in
12 paragraph (2) shall be made as of the date on which
13 the individual is awarded an internship or fellowship
14 (as the case may be).

15 “(c) LIMITATIONS.—

16 “(1) ANNUAL.—The amount of qualified tech-
17 nology training expenses that may be taken into ac-
18 count under this section for a taxable year with re-
19 spect to an eligible individual shall not exceed the
20 lesser of—

21 “(A) \$10,000, or

22 “(B) the amount of qualified technology
23 training expenses paid or incurred in such tax-
24 able year with respect to such individual.

1 “(2) 3 YEARS PER INDIVIDUAL.—An individual
2 shall not be treated as an eligible individual for pur-
3 poses of this section if the taxpayer was allowed a
4 credit under subsection (a) with respect to such indi-
5 vidual in any 3 prior taxable year.

6 “(d) QUALIFIED TECHNOLOGY TRAINING EX-
7 PENSES.—For purposes of this section—

8 “(1) IN GENERAL.—Except as otherwise pro-
9 vided in this subsection, the term ‘qualified tech-
10 nology training expenses’ means amounts paid or in-
11 curred by the taxpayer under a qualified technology
12 program in connection with providing internships
13 and fellowships to eligible individuals.

14 “(2) TRAINING PROVIDED IN UNITED
15 STATES.—Amounts may be taken into account under
16 paragraph (1) with respect to any individual only if
17 substantially all of the education or training pro-
18 vided such individual during the taxable year with
19 respect to such amounts is provided in the United
20 States.

21 “(e) DEFINITIONS.—For purposes of this section—

22 “(1) QUALIFIED TECHNOLOGY PROGRAM.—

23 “(A) IN GENERAL.—The term ‘qualified
24 technology program’ means a program in which
25 the taxpayer awards internships or fellowships

1 for work at the taxpayer which provides train-
2 ing in computer programming, computer sys-
3 tems analysis, computer science, computer engi-
4 neering, or other information technology dis-
5 cipline.

6 “(B) PARTNERSHIP REQUIREMENT.—A
7 program shall not be treated as a qualified
8 technology program for purposes of subpara-
9 graph (A) unless—

10 “(i) such program is a partnership be-
11 tween the taxpayer and a state training
12 program or an eligible education institu-
13 tion, and

14 “(ii) the taxpayer pays or incurs at
15 least 50 percent of the technology training
16 expenses under such program.

17 “(2) ELIGIBLE INDIVIDUAL.—The term ‘eligible
18 individual’ means an individual who—

19 “(A) is a citizen, national, or lawful per-
20 manent resident of the United States, and

21 “(B) first becomes an employee of the tax-
22 payer on the date such individual begins the in-
23 ternship or fellowship with respect to which
24 such expenses are qualified technology training
25 expenses.

1 “(3) ELIGIBLE EDUCATION INSTITUTION.—The
2 term ‘eligible education institution’ has the meaning
3 given to such term by section 25B(f)(2).

4 “(f) DENIAL OF DOUBLE BENEFIT.—No credit shall
5 be allowed under this section for any expense for which
6 a credit or deduction is allowed under any other provision
7 of this chapter.”.

8 (b) CREDIT MADE PART OF GENERAL BUSINESS
9 CREDIT.—Subsection (b) of section 38 of such Code is
10 amended by striking “plus” at the end of paragraph (11),
11 by striking the period at the end of paragraph (12) and
12 inserting “, plus”, and by adding at the end thereof the
13 following new paragraph:

14 “(13) the information technology internship and
15 fellowship credit determined under section 45D(a).”.

16 (c) LIMITATION ON CARRYBACK.—Subsection (d) of
17 section 39 of the Internal Revenue Code of 1986 (relating
18 to carryback and carryforward of unused credits) is
19 amended by adding at the end the following:

20 “(9) NO CARRYBACK OF INFORMATION TECH-
21 NOLOGY INTERNSHIP AND FELLOWSHIP CREDIT BE-
22 FORE EFFECTIVE DATE.—No amount of unused
23 business credit available under section 45D may be
24 carried back to a taxable year beginning on or before
25 the date of the enactment of this paragraph.”.

1 (d) CLERICAL AMENDMENT.—The table of sections
2 for subpart D of part IV of subchapter A of chapter 1
3 of such Code is amended by adding at the end thereof
4 the following new section:

“Sec. 45D. Internships and fellowships relating to information
technology.”.

5 (e) EFFECTIVE DATE.—The amendments made by
6 this section shall apply to amounts paid or incurred after
7 the date of enactment of this Act in taxable years ending
8 after such date.

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