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113TH CONGRESS
2D SESSION

H. R. 5325

To amend the Internal Revenue Code of 1986 to provide tax incentives to meet the needs of the American manufacturing workforce, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 2014

Mr. CÁRDENAS (for himself, Mr. JOYCE, Mr. MCGOVERN, Mr. VEASEY, Mr. RYAN of Ohio, Mr. ENYART, and Mr. BUTTERFIELD) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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A BILL

To amend the Internal Revenue Code of 1986 to provide tax incentives to meet the needs of the American manufacturing workforce, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''American Manufacturing Workforce Act of 2014''.

SEC. 2. REFUNDABLE TAX CREDIT FOR UNEMPLOYED WORKERS OBTAINING MANUFACTURING JOB TRAINING.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to refundable credits) is amended by inserting after section 36B the following new section:

"SEC. 36C. UNEMPLOYED WORKERS OBTAINING MANUFACTURING JOB TRAINING.

"(a) IN GENERAL.—In the case of an eligible individual, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year with respect to each eligible individual an amount equal to the eligible individual's qualified training costs paid or incurred by the taxpayer during the taxable year.

"(b) LIMITATION.—The credit allowed under subsection (a) with respect to each eligible individual shall not exceed $1,000.

"(c) DEFINITIONS.—For purposes of this section—

"(1) QUALIFIED TRAINING COSTS.—The term 'qualified training costs' means expenses for tuition, fees, and course materials paid or incurred in qualified manufacturing training.

"(2) QUALIFIED MANUFACTURING TRAINING.—The term 'qualified manufacturing job training' means training to develop or better skills for a man-

ufacturing position in the manufacturing industry, as determined by the Secretary of Labor.

"(3) ELIGIBLE INDIVIDUAL.—For purposes of this section, the term 'eligible individual' means an individual who—

"(A) is the taxpayer or the taxpayer's spouse or dependent,

"(B) is certified by the State employment security agency established in accordance with the Act of June 6, 1933, as amended (29 U.S.C. 49–49n), as having been in receipt of unemployment compensation under State or Federal law on any day within the 1-year period ending on the date qualified manufacturing job training begins, and

"(C) has resided for the 6-month period preceding the date on which qualified manufacturing job training begins in one of the 15 States determined by the Secretary of Labor to be a State in which there are the greatest number of job opportunities in the manufacturing industry.

"(d) DENIAL OF DOUBLE BENEFIT.—No credit shall be allowed under this section for any expense for which

a deduction or credit is allowed under any other provision of this chapter.

"(e) TERMINATION.—Subsection (a) shall not apply to amounts paid or incurred in taxable years beginning after December 31, 2020.".

(b) CONFORMING AMENDMENTS.—

(1) Paragraph (2) of section 1324(b) of title 31, United States Code, is amended by inserting "36C," after "36B,".

(2) The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 36B the following new item:

"Sec. 36C. Unemployed workers obtaining manufacturing job training.".

(c) NOTICE OF CREDIT.—The Commissioner of Internal Revenue shall provide notice on the website of the Internal Revenue Service of the availability of the credit established by subsection (a), and it is the sense of the Congress that other governmental job training and unemployment compensation entities shall also provide notice of such credit on their websites.

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

SEC. 3. EMPLOYER CREDIT FOR EMPLOYER PROVIDED ADULT EDUCATION AND MANUFACTURING JOB TRAINING PROGRAMS.

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

"SEC. 45S. CREDIT FOR EMPLOYER-PROVIDED ADULT EDUCATION AND MANUFACTURING JOB TRAINING PROGRAMS.

"(a) IN GENERAL.—For the purposes of section 38, the education and training credit determined under this section for the taxable year is an amount equal to 20 percent of the aggregate qualified education and training expenses paid or incurred for each employee during the taxable year.

"(b) LIMITATION.—The credit allowed under subsection (a) with respect to any employee for a taxable year shall not exceed $1,000.

"(c) QUALIFIED EDUCATION AND TRAINING EXPENSES.—For purposes of this section, the term 'qualified education and training expenses' means with respect to an employee amounts paid or incurred during the taxable year in providing education or training for manufacturing under the Workforce Investment Act of 1998 (29 U.S.C. 2801 et seq.) or a curriculum approved by the Employ-

ment and Training Administration of the Department of Labor to individuals employed by the taxpayer in manufacturing positions (as determined by the Secretary of Labor).

"(d) SPECIAL RULES.—

"(1) DENIAL OF DOUBLE BENEFIT.—No deduction or credit shall be allowed under this chapter for the portion of the expenses that are taken into account in determining the credit under this section for the taxable year.

"(2) AGGREGATION.—For purposes of this section, all persons treated as a single employer under subsection (a) or (b) or section 52, or subsection (m) or (o) of section 414, shall be treated as one person.

"(e) ELECTION TO HAVE CREDIT NOT APPLY.—A taxpayer may elect (at such time and in such manner as the Secretary may by regulations prescribe) to have this section not apply for any taxable year.

"(f) TERMINATION.—This section shall not apply to expenses paid after December 31, 2020.".

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Subsection (b) of section 38 of the Internal Revenue Code of 1986 is amended by striking "plus" at the end of paragraph (35), by striking the period at the

end of paragraph (36) and inserting ", plus", and by adding at the end the following new paragraph:

"(37) the education and training credit determined under section 45S(a).".

(c) TECHNICAL AMENDMENT.—Section 6501(m) of the Internal Revenue Code of 1986 is amended by inserting "45S(e)," after "45H(g),".

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

"Sec. 45S. Credit for employer-provided adult education and manufacturing job training programs.".

(e) EFFECTIVE DATES.—The amendments made by this section shall apply to expenses paid or incurred in taxable years beginning after December 31, 2014.

SEC. 4. PRESIDENTIAL AWARD FOR BUSINESS LEADERSHIP IN PREPARING WORKERS FOR THE MANUFACTURING ECONOMY.

(a) ESTABLISHMENT.—There is established the Presidential Award for Business Leadership in Manufacturing Job Training (referred to in this section as the "Presidential Manufacturing Job Training Award"), which shall be awarded to companies and other organizations for extraordinary efforts in assisting their employees and members to develop or better the manufacturing skills and

training and increase the productivity of American manufacturing.

(b) SELECTION AND PRESENTATION OF AWARD.—

(1) SELECTION.—The President shall periodically award the Presidential Manufacturing Job Training Award to companies and other organizations described in subsection (a) after reviewing recommendations to the President with respect to such award by the Secretary of Labor in consultation with the Secretary of Commerce.

(2) PRESENTATION.—The presentation of the Presidential Manufacturing Job Training Award shall be made by the President, or a designee of the President, in conjunction with an appropriate ceremony.

SEC. 5. BEST PRACTICES FOR MANUFACTURING JOB TRAINING.

The Secretary of Labor shall, from time to time, collect and disseminate best practices for manufacturing job training.

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