

Union Calendar No. 793

118TH CONGRESS
2^D SESSION

H. R. 9461

[Report No. 118-944]

To amend the Internal Revenue Code of 1986 to allow a credit against tax for charitable donations to nonprofit organizations providing work-force training.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 6, 2024

Mr. SMUCKER introduced the following bill; which was referred to the Committee on Ways and Means

DECEMBER 24, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on September 6, 2024]

A BILL

To amend the Internal Revenue Code of 1986 to allow a credit against tax for charitable donations to nonprofit organizations providing workforce training.

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 “USA Workforce Invest-*
5 *ment Act”.*

6 **SEC. 2. TAX CREDIT FOR CONTRIBUTIONS OF INDIVIDUALS**
7 **TO WORKFORCE DEVELOPMENT OR APPREN-**
8 **TICESHIP TRAINING PROGRAMS.**

9 *(a) ALLOWANCE OF CREDIT.—*

10 *(1) IN GENERAL.—Subpart A of part IV of sub-*
11 *chapter A of chapter 1 of the Internal Revenue Code*
12 *of 1986 is amended by inserting after section 25E the*
13 *following new section:*

14 **“SEC. 25F. CONTRIBUTIONS TO WORKFORCE DEVELOP-**
15 **MENT AND APPRENTICESHIP TRAINING PRO-**
16 **GRAMS.**

17 *“(a) ALLOWANCE OF CREDIT.—In the case of an indi-*
18 *vidual, there shall be allowed as a credit against the tax*
19 *imposed by this chapter for the taxable year an amount*
20 *equal to the aggregate amount of qualified contributions*
21 *made by the taxpayer during the year.*

22 *“(b) LIMITATIONS.—*

23 *“(1) IN GENERAL.—The credit allowed under*
24 *subsection (a) to any taxpayer for any taxable year*
25 *shall not exceed an amount equal to the lesser of—*

1 “(A) 25 percent of the sum of the amounts
2 described in paragraphs (1) and (2) of section
3 26(a) for such taxable year, or

4 “(B) \$150,000.

5 “(2) ALLOCATION OF VOLUME CAP.—The credit
6 allowed under subsection (a) to any taxpayer for any
7 taxable year shall not exceed the amount of the vol-
8 ume cap allocated by the Secretary to such taxpayer
9 under subsection (f) with respect to qualified con-
10 tributions made by the taxpayer during the taxable
11 year.

12 “(3) REDUCTION BASED ON STATE CREDIT.—The
13 amount allowed as a credit under subsection (a) for
14 a taxable year shall be reduced by the amount allowed
15 as a credit on any State tax return of the taxpayer
16 for qualified contributions made by the taxpayer dur-
17 ing the taxable year.

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

19 “(1) QUALIFIED CONTRIBUTION.—The term
20 ‘qualified contribution’ means a charitable contribu-
21 tion (as defined by section 170(c)) to a workforce de-
22 velopment or apprenticeship training organization in
23 the form of cash or marketable securities if such con-
24 tribution is designated by such organization to be

1 *used only for the purpose of providing workforce de-*
2 *velopment or apprenticeship training programs.*

3 “(2) *WORKFORCE DEVELOPMENT OR APPREN-*
4 *TICESHIP TRAINING ORGANIZATION.—The term ‘work-*
5 *force development or apprenticeship training organi-*
6 *zation’ means any organization which—*

7 “(A) *is described in section 501(c)(3), is ex-*
8 *empt from tax under section 501(a), and is not*
9 *a private foundation, and*

10 “(B) *is included on a list of providers pre-*
11 *pared under subsection (d) of section 122 of the*
12 *Workforce Innovation and Opportunity Act (29*
13 *U.S.C. 3152) by reason of having been deter-*
14 *mined to be eligible to offer a program under*
15 *such section.*

16 “(3) *WORKFORCE DEVELOPMENT OR APPREN-*
17 *TICESHIP TRAINING PROGRAM.—The term ‘workforce*
18 *development or apprenticeship training program’*
19 *means a program to provide training services (within*
20 *the meaning of section 134(c)(3) of the Workforce In-*
21 *novation and Opportunity Act (29 U.S.C.*
22 *3174(c)(3))).*

23 “(d) *DENIAL OF DOUBLE BENEFIT.—Any qualified*
24 *contribution for which a credit is allowed under this section*

1 *shall not be taken into account as a charitable contribution*
2 *for purposes of section 170.*

3 “(e) *CARRYFORWARD OF UNUSED CREDIT.*—

4 “(1) *IN GENERAL.*—*If the credit allowable under*
5 *subsection (a) for any taxable year exceeds the limita-*
6 *tion imposed by section 26(a) for such taxable year*
7 *reduced by the sum of the credits allowable under this*
8 *subpart (other than this section, section 23, and sec-*
9 *tion 25D), such excess shall be carried to the suc-*
10 *ceeding taxable year and added to the credit allowable*
11 *under subsection (a) for such taxable year.*

12 “(2) *LIMITATION.*—*No credit may be carried for-*
13 *ward under this subsection to any taxable year fol-*
14 *lowing the fifth taxable year after the taxable year in*
15 *which the credit arose. For purposes of the preceding*
16 *sentence, credits shall be treated as used on a first-in*
17 *first-out basis.*

18 “(f) *VOLUME CAP.*—

19 “(1) *IN GENERAL.*—*The volume cap applicable*
20 *under this section shall be \$5,000,000,000 for each of*
21 *calendar years 2025 through 2028, and zero for cal-*
22 *endar years thereafter. Such amount shall be allocated*
23 *by the Secretary as provided in paragraph (2) to tax-*
24 *payers with respect to qualified contributions made*
25 *by such taxpayers, except that 10 percent of such*

1 *amount shall be divided evenly among the States, and*
2 *shall be available with respect to individuals residing*
3 *in such States.*

4 *“(2) FIRST-COME, FIRST-SERVE.—For purposes*
5 *of applying the volume cap under this section, such*
6 *volume cap for any calendar year shall be allocated*
7 *by the Secretary on a first-come, first-serve basis, as*
8 *determined based on the time (during such calendar*
9 *year) at which the taxpayer made the qualified con-*
10 *tribution with respect to which the allocation is made.*
11 *The Secretary shall not make any allocation of vol-*
12 *ume cap for any calendar year after December 31 of*
13 *such calendar year.*

14 *“(3) REAL-TIME INFORMATION.—For purposes of*
15 *this section, the Secretary shall develop a system to*
16 *track the amount of qualified contributions made dur-*
17 *ing the calendar year for which a credit may be*
18 *claimed under this section, with such information to*
19 *be updated in real time.*

20 *“(4) ANNUAL INCREASES.—*

21 *“(A) IN GENERAL.—In the case of the cal-*
22 *endar year after a high use calendar year, the*
23 *dollar amount otherwise in effect under sub-*
24 *section (a) for such calendar year shall be equal*

1 to 105 percent of the dollar amount in effect for
2 such high use calendar year.

3 “(B) *HIGH USE CALENDAR YEAR.*—For
4 purposes of this subsection, the term ‘high use
5 calendar year’ means any calendar year for
6 which 90 percent or more of the volume cap in
7 effect for such calendar year under subsection (a)
8 is allocated to taxpayers.

9 “(C) *PREVENTION OF DECREASES IN AN-*
10 *NUAL VOLUME CAP.*—The volume cap in effect
11 under subsection (a) for any calendar year shall
12 not be less than the volume cap in effect under
13 such subsection for the preceding calendar year.

14 “(D) *PUBLICATION OF ANNUAL VOLUME*
15 *CAP.*—The Secretary shall make publicly avail-
16 able the dollar amount of the volume cap in ef-
17 fect under subsection (a) for each calendar year.

18 “(5) *STATES.*—For purposes of this subsection,
19 the term ‘State’ includes the District of Columbia.”.

20 (2) *CONFORMING AMENDMENTS.*—

21 (A) Section 25(e)(1)(C) of such Code is
22 amended by striking “and 25D” and inserting “,
23 25D, and 25F”.

24 (B) The table of sections for subpart A of
25 part IV of subchapter A of chapter 1 of such

1 *Code is amended by inserting after the item re-*
2 *lating to section 25E the following new item:*

*“Sec. 25F. Contributions to workforce development and apprenticeship training
 programs.”.*

3 *(b) EFFECTIVE DATE.—The amendments made by this*
4 *section shall apply to taxable years ending after December*
5 *31, 2024.*

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