

108TH CONGRESS
1ST SESSION

H. R. 3590

To amend the Internal Revenue Code of 1986 to allow employers a credit against income tax to encourage them to have their employees provide volunteer services that aid science, mathematics, and engineering education in grades K–12.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 2003

Mr. CRAMER 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 to encourage them to have their employees provide volunteer services that aid science, mathematics, and engineering education in grades K–12.

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 Education
5 Incentive Act of 2003”.

1 **SEC. 2. EMPLOYER CREDIT FOR EMPLOYEE VOLUNTEER**
2 **SERVICES IN GRADES K-12.**

3 (a) IN GENERAL.—Subpart D of part IV of sub-
4 chapter A of chapter 1 of the Internal Revenue Code of
5 1986 (relating to business related credits) is amended by
6 inserting after section 45F the following new section:

7 **“SEC. 45G. EMPLOYER CREDIT FOR EMPLOYEE VOLUNTEER**
8 **SERVICES IN GRADES K-12.**

9 “(a) IN GENERAL.—For purposes of section 38, the
10 volunteer education services credit determined under this
11 section for the taxable year is an amount equal to 20 per-
12 cent of the wages paid or incurred by the taxpayer during
13 the taxable year for qualified employee services.

14 “(b) MAXIMUM CREDIT PER EMPLOYEE.—The credit
15 determined under this section with respect to services per-
16 formed by an employee during the taxable year shall not
17 exceed \$1,000.

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

19 “(1) QUALIFIED EMPLOYEE SERVICES.—The
20 term ‘qualified employee services’ means any service
21 furnished by an employee of the taxpayer if—

22 “(A) the services are performed at a quali-
23 fied K-12 school,

24 “(B) the services are related to science,
25 mathematics, or engineering education at
26 grades K-12 at a qualified K-12 school,

1 “(C) the employee receives no additional
2 compensation for performing such services and
3 the employer receives no compensation for such
4 services, and

5 “(D) the services are determined by the
6 qualified K–12 school to be valuable to the
7 school in providing education in grades K–12 in
8 the areas of science, mathematics, or engineer-
9 ing.

10 “(2) QUALIFIED K–12 SCHOOL.—The term
11 ‘qualified K–12 school’ means any school located in
12 the United States which provides education in
13 grades K–12 and which meets the requirements of
14 State law for providing such education.

15 “(3) WAGES.—The term ‘wages’ has the mean-
16 ing given to such term by section 51(c).

17 “(d) CONTROLLED GROUPS.—Rules similar to the
18 rules of section 1397(b) shall apply for purposes of this
19 section.”

20 (b) DENIAL OF DOUBLE BENEFIT.—Subsection (a)
21 of section 280C of such Code is amended by inserting
22 “45G(a),” after “45A(a),”.

23 (c) CREDIT MADE PART OF GENERAL BUSINESS
24 CREDIT.—

1 (1) IN GENERAL.—Subsection (b) of section 38
2 of such Code (relating to current year business cred-
3 it) is amended by striking “plus” at the end of para-
4 graph (14), by striking the period at the end of
5 paragraph (15) and inserting “, plus”, and by add-
6 ing at the end thereof the following new paragraph:

7 “(16) volunteer education services credit deter-
8 mined under section 45G(a).”.

9 (2) LIMITATION ON CARRYBACK.—Subsection
10 (d) of section 39 of such Code is amended by adding
11 at the end the following new paragraph:

12 “(11) NO CARRYBACK OF VOLUNTEER EDU-
13 CATION SERVICES CREDIT BEFORE EFFECTIVE
14 DATE.—No portion of the unused business credit for
15 any taxable year which is attributable to the credit
16 determined under section 45G may be carried back
17 to any taxable year ending before the date of the en-
18 actment of this paragraph.”.

19 (3) DEDUCTION FOR CERTAIN UNUSED BUSI-
20 NESS CREDITS.—Subsection (c) of section 196 of
21 such Code is amended by striking “and” at the end
22 of paragraph (9), by striking the period at the end
23 of paragraph (10) and inserting “, and”, and by
24 adding after paragraph (10) the following new para-
25 graph:

1 “(11) the volunteer education services credit de-
2 termined under section 45G(a).”.

3 (d) CLERICAL AMENDMENT.—The table of sections
4 for subpart D of part IV of subchapter A of chapter 1
5 of such Code is amended by inserting after the item relat-
6 ing to section 45F the following new item:

“Sec. 45G. Employer credit for employee volunteer services in
grades K–12.”.

7 (e) EFFECTIVE DATE.—The amendments made by
8 this section shall apply to taxable years beginning after
9 the date of the enactment of this Act.

10 (f) STUDY.—The Secretary of Education and the
11 Secretary of the Treasury shall jointly conduct a study
12 of the effect of the credit under section 45G of the Inter-
13 nal Revenue Code of 1986, as added by this Act, on the
14 providing of volunteer services to which such credit ap-
15 plies. The results of such study, together with any rec-
16 ommendations for improving the effectiveness of such
17 credit, shall be submitted to the Congress not later than
18 the date which is 2 years after the date of the enactment
19 of this Act.

○