

109TH CONGRESS
1ST SESSION

H. R. 2008

To amend the Internal Revenue Code of 1986 to allow a business credit for donations for vocational educational purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mr. POMBO 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 business credit for donations for vocational educational purposes.

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 “Public Private Voca-
5 tional Partnership Act of 2005”.

6 **SEC. 2. DONATIONS TO SECONDARY SCHOOLS AND COMMU-**
7 **NITY COLLEGES FOR VOCATIONAL EDU-**
8 **CATION PURPOSES.**

9 (a) IN GENERAL.—Subpart D of part IV of sub-
10 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 the following new section:

3 **“SEC. 45J. DONATIONS TO SECONDARY SCHOOLS AND COM-**
4 **MUNITY COLLEGES FOR VOCATIONAL EDU-**
5 **CATION PURPOSES.**

6 “(a) GENERAL RULE.—For purposes of section 38,
7 in the case of a corporation (as defined in section
8 170(e)(4)(D)), the vocational education donation credit
9 determined under this section for the taxable year is an
10 amount equal to the sum of—

11 “(1) 90 percent of the fair market value of
12 qualified property donations made during the tax-
13 able year, plus

14 “(2) the aggregate of the intern credit amounts.

15 “(b) LIMITATIONS.—

16 “(1) QUALIFIED PROPERTY DONATIONS.—The
17 amount allowed as a credit under subsection (a)(1)
18 shall not exceed \$50,000.

19 “(2) INTERN CREDIT AMOUNT.—

20 “(A) IN GENERAL.—The amount allowed
21 as a credit under subsection (a)(2) with respect
22 to a qualified intern shall be the amount equal
23 to \$100 multiplied by the number of months
24 during the taxable year in which the intern was
25 an employee of the taxpayer.

1 “(B) AGGREGATE PER INTERN CREDIT
2 AMOUNTS.—The aggregate amount allowed to
3 the taxpayer as a credit under subsection (a)(2)
4 for the taxable year shall not exceed \$6,000.

5 “(c) QUALIFIED PROPERTY DONATIONS.—For pur-
6 poses of this section, the term ‘qualified property dona-
7 tions’ means a charitable contribution (as defined in sec-
8 tion 170(c)) of tangible personal property if—

9 “(1) the contribution is to an educational orga-
10 nization described in section 170(b)(1)(A)(ii) which
11 is a secondary school or community college,

12 “(2) substantially all of the use of the property
13 by the donee is for use within the United States for
14 educational purposes that are related to the purpose
15 or function of the donee,

16 “(3) the property is not transferred by the
17 donee in exchange for money, other property, or
18 services, except for shipping, installation and trans-
19 fer costs,

20 “(4) the property will fit productively into the
21 donee’s education plan,

22 “(5) the donee’s use and disposition of the
23 property will be in accordance with the provisions of
24 paragraphs (2), (3), and (4), and

1 “(6) the property meets such standards, if any,
2 as the Secretary may prescribe by regulation to as-
3 sure that the property meets minimum functionality
4 and suitability standards for educational purposes.

5 “(d) QUALIFIED INTERN.—For purposes of this sec-
6 tion—

7 “(1) IN GENERAL.—The term ‘qualified intern’
8 means an individual—

9 “(A) who is enrolled full-time as a student
10 in a secondary school or community college, and

11 “(B) who is employed for not more than
12 20 hours per week by the taxpayer as part of
13 a vocational education course approved by such
14 school or college.

15 “(2) SECONDARY SCHOOL.—The term ‘sec-
16 ondary school’ means a secondary school (as defined
17 by section 9101(38) of the Elementary and Sec-
18 ondary Education Act of 1965 (20 U.S.C. 7801(38))
19 which offers a program of education in vocational
20 education.

21 “(3) COMMUNITY COLLEGE.—The term ‘com-
22 munity college’ means a public or nonprofit private
23 postsecondary regionally accredited institution that
24 provides not less than a 2-year program of instruc-
25 tion that is acceptable for full credit toward a bach-

1 elor’s degree at an accredited institution and whose
2 highest degree offered is predominantly the associate
3 degree.

4 “(e) AGGREGATION RULE.—For purposes of sub-
5 section (b), all persons treated as a single employer under
6 subsection (a) or (b) of section 52 or subsection (n) or
7 (o) of section 414 shall be treated as one person.

8 “(f) COORDINATION WITH SECTION 170(b).—The
9 limitation which would (but for this subsection) apply
10 under section 170(b) for any taxable year shall be reduced
11 (but not below zero) by the fair market value of property
12 taken into account in determining the credit allowed under
13 subsection (a)(1) for such year.”.

14 (b) CREDIT TO BE PART OF GENERAL BUSINESS
15 CREDIT.—Subsection (b) of section 38 of such Code (re-
16 lating to general business credit) is amended by striking
17 “plus” at the end of paragraph (18), by striking the period
18 at the end of paragraph (19) and inserting “, plus”, and
19 by adding at the end the following new paragraph:

20 “(20) in the case of a corporation (as defined
21 in section 170(e)(4)(D)), the vocational education
22 donation credit determined under section 45J(a).”.

23 (c) DENIAL OF DOUBLE BENEFIT.—Section 280C of
24 such Code (relating to certain expenses for which credits

1 are allowable) is amended by adding at the end the fol-
2 lowing new subsection:

3 “(e) VOCATIONAL EDUCATION DONATIONS.—The de-
4 duction otherwise allowed for amounts taken into account
5 under section 45J shall be reduced by the amount of the
6 credit determined under section 45J(a) with respect to
7 such amounts.”.

8 (d) CONFORMING AMENDMENT.—The table of sec-
9 tions for subpart D of part IV of subchapter A of chapter
10 1 of such Code is amended by inserting after the item
11 relating to section 45I the following new item:

“Sec. 45J. Donations to secondary schools and community colleges for voca-
tional education purposes.”.

12 (e) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning after
14 December 31, 2004.

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