

118TH CONGRESS
2D SESSION

H. R. 9461

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

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.—

1 (1) IN GENERAL.—Subpart A of part IV of sub-
2 chapter A of chapter 1 of the Internal Revenue Code
3 of 1986 is amended by inserting after section 25E
4 the following new section:

5 **“SEC. 25F. CONTRIBUTIONS TO WORKFORCE DEVELOP-**
6 **MENT AND APPRENTICESHIP TRAINING PRO-**
7 **GRAMS.**

8 “(a) ALLOWANCE OF CREDIT.—In the case of an in-
9 dividual, there shall be allowed as a credit against the tax
10 imposed by this chapter for the taxable year an amount
11 equal to the aggregate amount of qualified contributions
12 made by the taxpayer during the year.

13 “(b) LIMITATIONS.—

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

17 “(A) 25 percent of the sum of the amounts
18 described in paragraphs (1) and (2) of section
19 26(a) for such taxable year, or

20 “(B) \$150,000.

21 “(2) ALLOCATION OF VOLUME CAP.—The credit
22 allowed under subsection (a) to any taxpayer for any
23 taxable year shall not exceed the amount of the vol-
24 ume cap allocated by the Secretary to such taxpayer
25 under subsection (f) with respect to qualified con-

1 tributions made by the taxpayer during the taxable
2 year.

3 “(3) REDUCTION BASED ON STATE CREDIT.—

4 The amount allowed as a credit under subsection (a)
5 for a taxable year shall be reduced by the amount
6 allowed as a credit on any State tax return of the
7 taxpayer for qualified contributions made by the tax-
8 payer during the taxable year.

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

10 “(1) QUALIFIED CONTRIBUTION.—The term
11 ‘qualified contribution’ means a charitable contribu-
12 tion (as defined by section 170(c)) to a workforce
13 development or apprenticeship training organization
14 in the form of cash or marketable securities if such
15 contribution is designated by such organization to be
16 used only for the purpose of providing workforce de-
17 velopment or apprenticeship training programs.

18 “(2) WORKFORCE DEVELOPMENT OR APPREN-
19 TICESHIP TRAINING ORGANIZATION.—The term
20 ‘workforce development or apprenticeship training
21 organization’ means any organization which—

22 “(A) is described in section 501(c)(3), is
23 exempt from tax under section 501(a), and is
24 not a private foundation, and

1 “(B) is included on a list of providers pre-
2 pared under subsection (d) of section 122 of the
3 Workforce Innovation and Opportunity Act (29
4 U.S.C. 3152) by reason of having been deter-
5 mined to be eligible to offer a program under
6 such section.

7 “(3) WORKFORCE DEVELOPMENT OR APPREN-
8 TICESHIP TRAINING PROGRAM.—The term ‘work-
9 force development or apprenticeship training pro-
10 gram’ means a program to provide training services
11 (within the meaning of section 134(e)(3) of the
12 Workforce Innovation and Opportunity Act (29
13 U.S.C. 3174(e)(3))).

14 “(d) DENIAL OF DOUBLE BENEFIT.—Any qualified
15 contribution for which a credit is allowed under this sec-
16 tion shall not be taken into account as a charitable con-
17 tribution for purposes of section 170.

18 “(e) CARRYFORWARD OF UNUSED CREDIT.—

19 “(1) IN GENERAL.—If the credit allowable
20 under subsection (a) for any taxable year exceeds
21 the limitation imposed by section 26(a) for such tax-
22 able year reduced by the sum of the credits allowable
23 under this subpart (other than this section, section
24 23, and section 25D), such excess shall be carried to

1 the succeeding taxable year and added to the credit
2 allowable under subsection (a) for such taxable year.

3 “(2) LIMITATION.—No credit may be carried
4 forward under this subsection to any taxable year
5 following the fifth taxable year after the taxable year
6 in which the credit arose. For purposes of the pre-
7 ceding sentence, credits shall be treated as used on
8 a first-in first-out basis.

9 “(f) VOLUME CAP.—

10 “(1) IN GENERAL.—The volume cap applicable
11 under this section shall be \$5,000,000,000 for each
12 of calendar years 2025 through 2028, and zero for
13 calendar years thereafter. Such amount shall be allo-
14 cated by the Secretary as provided in paragraph (2)
15 to taxpayers with respect to qualified contributions
16 made by such taxpayers, except that 10 percent of
17 such amount shall be divided evenly among the
18 States, and shall be available with respect to individ-
19 uals residing in such States.

20 “(2) FIRST-COME, FIRST-SERVE.—For purposes
21 of applying the volume cap under this section, such
22 volume cap for any calendar year shall be allocated
23 by the Secretary on a first-come, first-serve basis, as
24 determined based on the time (during such calendar
25 year) at which the taxpayer made the qualified con-

1 tribution with respect to which the allocation is
2 made. The Secretary shall not make any allocation
3 of volume cap for any calendar year after December
4 31 of such calendar year.

5 “(3) REAL-TIME INFORMATION.—For purposes
6 of this section, the Secretary shall develop a system
7 to track the amount of qualified contributions made
8 during the calendar year for which a credit may be
9 claimed under this section, with such information to
10 be updated in real time.

11 “(4) ANNUAL INCREASES.—

12 “(A) IN GENERAL.—In the case of the cal-
13 endar year after a high use calendar year, the
14 dollar amount otherwise in effect under sub-
15 section (a) for such calendar year shall be equal
16 to 105 percent of the dollar amount in effect
17 for such high use calendar year.

18 “(B) HIGH USE CALENDAR YEAR.—For
19 purposes of this subsection, the term ‘high use
20 calendar year’ means any calendar year for
21 which 90 percent or more of the volume cap in
22 effect for such calendar year under subsection
23 (a) is allocated to taxpayers.

24 “(C) PREVENTION OF DECREASES IN AN-
25 NUAL VOLUME CAP.—The volume cap in effect

1 under subsection (a) for any calendar year shall
2 not be less than the volume cap in effect under
3 such subsection for the preceding calendar year.

4 “(D) PUBLICATION OF ANNUAL VOLUME
5 CAP.—The Secretary shall make publicly avail-
6 able the dollar amount of the volume cap in ef-
7 fect under subsection (a) for each calendar
8 year.

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

11 (2) CONFORMING AMENDMENTS.—

12 (A) Section 25(e)(1)(C) of such Code is
13 amended by striking “and 25D” and inserting
14 “25D, and 25F”.

15 (B) The table of sections for subpart A of
16 part IV of subchapter A of chapter 1 of such
17 Code is amended by inserting after the item re-
18 lating to section 25E the following new item:

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

19 (b) EFFECTIVE DATE.—The amendments made by
20 this subsection shall apply to taxable years ending after
21 December 31, 2024.

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