

# ***USA Workforce Tax Credit Act***



The proposed USA Workforce Tax Credit Act (H.R. 5153), as introduced by U.S. Representative Lloyd Smucker (R-Pennsylvania), seeks to help address the nation's skill gap.

Presently, 5.9 million jobs are unfilled, including 364,000 manufacturing jobs, because Americans lack the requisite skills. At the same time 6.7 million Americans are unemployed.

Congressman Smucker's USA Workforce Tax Credit legislation encourages charitable donations for community-based apprenticeship initiatives, career and technical education, workforce development, and K-12 educational preparedness.

Enacting this proposed legislation would meet the urgent need to ensure the preparation of current and future workers for the changing needs of the U.S. economy. Job creation and job preparation must go hand in hand.

Eligible nonprofit organizations that could receive tax-credited charitable donations include educational institutions, community organizations, training institutes, community colleges, scholarship groups, and nonprofits affiliated with labor unions and labor-management committees.

The tax credit would be capped at \$2 billion annually, beginning in tax year 2019. One-half of the allocation would be set aside for job-preparation initiatives for adults (apprenticeship initiatives, career and technical education, and workforce development), with the remainder set aside for education preparedness scholarships for K-12 students. The ten-year fiscal impact of this program would total \$20 billion. The Secretary of the Treasury is directed to develop an application process for awarding the tax credits on a first-come, first-serve basis.

The bill allows a maximum credit of \$250,000 for individuals or corporations (capped at no more than 25 percent of a taxpayer's overall tax bill).