

117TH CONGRESS
1ST SESSION

H. R. 3986

To amend the Internal Revenue Code of 1986 to improve the work opportunity tax credit with respect to workforce development and foster care transition youth, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 17, 2021

Mr. DANNY K. DAVIS of Illinois (for himself, Mr. HIGGINS of New York, Mr. PASCRELL, Mr. SUOZZI, Ms. SEWELL, Mr. LARSON of Connecticut, and Mr. KILDEE) 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 improve the work opportunity tax credit with respect to workforce development and foster care transition youth, and for other 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 “Promoting Employ-
5 ment of Skilled Workers and Foster Youth Act of 2021”.

1 **SEC. 2. EXEMPTION FROM LIMITATION ON REPEAT EM-**
2 **PLOYEES.**

3 (a) IN GENERAL.—Section 51(i) of the Internal Rev-
4 enue Code of 1986 is amended by adding at the end the
5 following new paragraph:

6 “(4) EXCLUSION.—Paragraph (2) shall not
7 apply to an individual employed by an employer in
8 any industry described by a North American Indus-
9 try Classification System code beginning with 23,
10 provided that such employer participates in a pro-
11 gram described in subsection (d)(16)(C).”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 this section shall apply to taxable years beginning after
14 December 31, 2019.

15 **SEC. 3. INCLUSION OF QUALIFIED PRE-APPRENTICESHIP**
16 **GRADUATES AND FOSTER CARE TRANSITION**
17 **YOUTH FOR PURPOSES OF WORK OPPOR-**
18 **TUNITY CREDIT.**

19 (a) IN GENERAL.—Section 51(d) of the Internal Rev-
20 enue Code of 1986 is amended—

21 (1) in paragraph (1), by striking “or” at the
22 end of subparagraph (I), by striking the period at
23 the end of subparagraph (J) and inserting a comma,
24 and by adding at the end the following new subpara-
25 graphs:

1 “(K) a qualified pre-apprenticeship grad-
2 uate, or

3 “(L) a qualified foster care transition
4 youth.”; and

5 (2) by adding at the end the following new
6 paragraphs:

7 “(16) QUALIFIED PRE-APPRENTICESHIP GRAD-
8 UATE.—

9 “(A) IN GENERAL.—The term ‘qualified
10 pre-apprenticeship graduate’ means any indi-
11 vidual that has completed a pre-apprenticeship
12 program.

13 “(B) PRE-APPRENTICESHIP PROGRAM.—
14 For purposes of this paragraph, the term ‘pre-
15 apprenticeship program’ means with respect to
16 a program, an initiative or set of strategies
17 that—

18 “(i) is designed to prepare partici-
19 pants to enter an apprenticeship program,

20 “(ii) is carried out by an sponsor that
21 has a documented partnership with 1 or
22 more sponsors of apprenticeship programs,
23 and

24 “(iii) includes each of the following:

1 “(I) Training (including a cur-
2 riculum for the training) and theo-
3 retical education for participants
4 that—

5 “(aa) is aligned with indus-
6 try standards related to an ap-
7 prenticeship program and re-
8 viewed and approved annually by
9 sponsors of the apprenticeship
10 program within the documented
11 partnership that will prepare par-
12 ticipants by teaching the skills
13 and competencies needed to enter
14 1 or more apprenticeship pro-
15 grams, and

16 “(bb) does not displace a
17 paid employee.

18 “(II) A formal agreement with a
19 sponsor of an apprenticeship program
20 that would enable participants who
21 successfully complete the pre-appren-
22 ticeship program—

23 “(aa) to enter into the ap-
24 prenticeship program if a place
25 in the program is available and if

1 the participant meets the quali-
2 fications of the apprenticeship
3 program, and

4 “(bb) to earn credits to-
5 wards the apprenticeship pro-
6 gram.

7 “(C) APPRENTICESHIP PROGRAM.—For
8 purposes of this paragraph, the term ‘appren-
9 ticeship program’ means an apprenticeship pro-
10 gram—

11 “(i) registered under the Act of Au-
12 gust 16, 1937 (commonly known as the
13 ‘National Apprenticeship Act’; 50 Stat.
14 664, chapter 663; 29 U.S.C. 50 et seq.),
15 and

16 “(ii) that complies with the require-
17 ments of subpart A of part 29 of title 29,
18 Code of Federal Regulations, and part 30
19 of such title (as in effect on September 30,
20 2020).

21 “(D) SPECIAL RULE FOR APPLICATION TO
22 WAGES PAID.—For purposes of applying this
23 section to wages paid or incurred to a qualified
24 pre-apprenticeship graduate described in sub-
25 paragraph (A), an employer may not claim the

1 work opportunity tax credit with respect to such
 2 pre-apprenticeship graduate unless such em-
 3 ployer—

4 “(i) participates in an apprenticeship
 5 program described in subparagraph (C),
 6 and

7 “(ii) hires such pre-apprenticeship
 8 graduate for participation in such pro-
 9 gram.

10 “(17) QUALIFIED FOSTER CARE TRANSITION
 11 YOUTH.—The term ‘qualified foster care transition
 12 youth’ means any individual who is certified by the
 13 designated local agency as—

14 “(A) not having attained age 27 as of the
 15 hiring date, and

16 “(B) having been in foster care (within the
 17 meaning of section 477 of the Social Security
 18 Act (42 U.S.C. 677)), after attaining the age
 19 specified in subsection (a)(7) of such section.”.

20 (b) EFFECTIVE DATE.—The amendments made by
 21 this section shall apply with respect to individuals who
 22 begin work for the employer after the date of the enact-
 23 ment of this Act.

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