

117TH CONGRESS
1st SESSION

S. _____

To amend the Internal Revenue Code of 1986 to establish a payroll tax credit to be used by qualified entities to offset the cost of providing training services to, or covering the certification expenses of, individuals who are unemployed as a result of the coronavirus pandemic, and for other purposes.

IN THE SENATE OF THE UNITED STATES

_____ (for _____) introduced the following bill; which was read twice and referred to the Committee on Finance.

A BILL

To amend the Internal Revenue Code of 1986 to establish a payroll tax credit to be used by qualified entities to offset the cost of providing training services to or covering the certification expenses of individuals who are unemployed as a result of the coronavirus pandemic, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Credentialing, Education, Resources and Training (CERT) Act of 2021.”

SEC. 2. ESTABLISHMENT OF CAREER REBUILDING PAYROLL TAX CREDIT.

(a) IN GENERAL.— Section 3111 of the Internal Revenue Code of 1986 is amended by inserting after Section 3111(f) the following new subsection:

“(g) CREDIT FOR CAREER REBUILDING SCHOLARSHIPS.—

“(1) ALLOWANCE OF CREDIT.— With respect to each eligible individual to which a qualified entity provides a Career Rebuilding Scholarship that offsets or covers the costs of a qualified training service or of a qualified credentialing examination, there shall be allowed as a credit against the tax imposed by subsection (a) of this section or

section 3221(a) of the Internal Revenue Code of 1986 for each calendar quarter an amount equal to the lesser of—

“(A) 80% of the amount of expenses granted as a Career Rebuilding Scholarship to such individual during such taxable year for a qualified training service or a qualified credentialing examination that is provided by the qualified entity; or

“(B) an amount equal to \$4,000.

“(2) DEFINITIONS.— For purposes of this section—

“(A) CAREER REBUILDING PAYROLL TAX CREDIT.— The term ‘Career Rebuilding Payroll Tax Credit’ refers to the credit allowed to a qualified entity under this section for providing a Career Rebuilding Scholarship to an eligible individual.

“(B) CAREER REBUILDING SCHOLARSHIP.— The term ‘Career Rebuilding Scholarship’ means the grant of a reduced cost or no-cost qualified training service or qualified credentialing examination offered by a qualified entity to an eligible individual.

“(C) ELIGIBLE INDIVIDUAL.—

“(i) IN GENERAL.— The term ‘eligible individual’ means an individual who—

“(I) became unemployed or furloughed during calendar years 2020 or 2021 and during that period either was otherwise able to work and available for work within the meaning of applicable State law (as defined in section 205 of the Federal-State Extended Unemployment Compensation Act of 1970 (26 U.S.C. § 3304 note)) or was unavailable to work full-time for any reason listed in Section 5102(a) of the Families First Coronavirus Response Act, as amended;

“(II) applies to a qualified entity for a Career Rebuilding Scholarship to offset or cover the costs of receiving a qualified training service or to take a qualified credentialing examination; and

“(III) has not previously received a Career Rebuilding Scholarship from any qualified entity.

“(ii) EXCLUSION.— For purposes of subparagraph (A), the term ‘eligible individual’ shall not include an individual whose employer has reduced their hours of work and who receives compensation pursuant to a short-time compensation program (as defined in 26 U.S.C. § 3306(v)).

“(D) QUALIFIED CREDENTIALING EXAMINATION. —The term ‘qualified credentialing examination’ means an examination or assessment developed or administered by qualified entity if successful completion of that

examination or assessment is required to obtain or maintain a recognized postsecondary credential.

“(E) QUALIFIED ENTITY.— The term ‘qualified entity’ means an entity that is—

“(i) a provider included on a State list described in section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d));

“(ii) a provider of qualified training services that has been recognized by the Secretary of Labor under section 3 of this Act; or

“(iii) an organization that develops or administers an examination or assessment that is required to obtain or maintain a recognized postsecondary credential and that has been recognized by the Secretary of Labor under section 3 of this Act.

“(F) QUALIFIED TRAINING SERVICE.— The term ‘qualified training service’ means a course or program of study that—

“(i) is included on a list described in section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)) for a State;

“(ii) is a course or program of study relating to a high-need area that has been recognized by the Secretary of Labor under section 3 of the CERT Act; or

“(iii) is a course or program of study that has been recognized by the Secretary of Labor under section 3 of this Act and meets the training or educational prerequisites to qualify an individual to take a qualified credentialing examination or to obtain an occupational license;

“(G) RECOGNIZED POSTSECONDARY CREDENTIAL.— For purposes of this section, the term ‘recognized postsecondary credential’—

“(i) has the meaning given the term in section 3(52) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102(52)); or

“(ii) is an occupational certificate or certification based on an examination or assessment that demonstrates a specified level of knowledge, competency, or skill required to meet established and recognized standards in the occupation, as established by state law or by the organization and that is developed or administered by an organization that has been recognized by the Secretary of Labor under section 3 of this Act or that is included on a State list described in section 122(d) of the Workforce Innovation and Opportunity Act (29 U.S.C. 3152(d)).

“(3) CREDIT CALCULATIONS.—

“(A) LIMITATION.— The credit allowed by subsection (g)(1) shall not exceed the tax imposed by subsection (a) for any calendar quarter on the wages

paid with respect to the employment of all individuals in the employ of the employer.

“(B) CARRYOVER OF UNUSED CREDIT.— If the amount of the credit under subsection (g)(1) exceeds the limitation in subparagraph (g)(3)(A) for any calendar quarter, such excess shall be carried to a succeeding calendar quarter and allowed as a credit under paragraph (g)(1) for such quarter.

“(C) DOCUMENTATION AND RECORDKEEPING.—

“(i) IN GENERAL.— No credit shall be allowed under this section unless the qualified entity maintains such documentation as the Secretary of the Treasury (or the Secretary’s designee) may prescribe to establish such qualified entity as entitled to claim a Career Rebuilding Payroll Tax Credit.

“(ii) DOCUMENTATION FROM ELIGIBLE INDIVIDUAL.— A qualified entity that, in the course of a trade or business and for any calendar year, grants a Career Rebuilding Scholarship to an individual to offset or cover the costs of a qualified training service or qualified credentialing examination provided by such entity to the eligible individual shall first obtain from the individual documentation establishing that the individual meets the definition of an eligible individual under this section and shall maintain such records for a period of three (3) years from the qualified entity’s claim of a payroll tax credit under this section.

“(4) IMPLEMENTATION.— The Secretary of the Treasury (or the Secretary’s designee) shall promulgate such regulations or issue such guidance as may be necessary to carry out the purposes of this section, including for the purposes of—

(A) preventing the avoidance of the purposes of the limitations on what may be claimed as a credit under this section;

(B) minimizing compliance and recordkeeping burdens;

(C) providing for waiver of penalties for failure to deposit amounts in anticipation of the allowance of the credit allowed under this section; and

(D) recapturing the benefit of credits determined under this section in cases where there is a subsequent adjustment to the credit determined under paragraph (g)(1).

“(5) TERMINATION.— This section shall not apply to expenses paid or incurred during taxable years beginning after December 31, 2023.

“(6) APPLICATION OF SECTION.— This section shall apply only to Career Rebuilding Scholarships provided by a qualified entity to an eligible individual with respect to the period beginning on a date selected by the Secretary (or the Secretary’s designee) which is during the 15-day period beginning on the date of the enactment of this Act, and ending on December 31, 2023.”

SEC. 3. RECOGNITION BY SECRETARY OF LABOR.

(a) IN GENERAL.— To enable a provider of a qualified training service or a qualified credentialing examination to obtain the credit provided under Section 2, the Secretary of Labor shall establish a process through which the Secretary of Labor shall recognize such a provider as a qualified entity (as such terms are defined in section 3111(g) of the Internal Revenue Code of 1986).

(b) ESTABLISHMENT OF RECOGNITION REQUIREMENTS.—

(1) IN GENERAL.— No later than 60 days after the date of enactment of this Act, the Secretary of Labor shall create and publish the recognition requirements—

(A) for a provider to be a qualified entity for purposes of section 3111 of the Internal Revenue Code of 1986;

(B) for a course or program of study related to a high-need area, as determined by the Secretary of Labor, to be a qualified training service for purposes of section 3111 of the Internal Revenue Code of 1986;

(C) for a course or program of study that meets the training or educational prerequisites to qualify an individual to take a qualified credentialing examination or to obtain or maintain a recognized postsecondary credential, as determined by the Secretary of Labor, to be a qualified training service for purposes of section 3111 of the Internal Revenue Code of 1986; and

(D) for an occupational certificate or certification based on an examination or assessment that is widely recognized as providing a reputable postsecondary credential in an occupation or that demonstrates a specified level of knowledge, competency, or skill required to meet established and recognized standards in the occupation, as established by state law or by the organization to be a qualified credentialing examination for purposes of section 3111 of the Internal Revenue Code of 1986.

(2) CONSIDERATIONS OF HIGH-NEED AREAS.— In determining the high-need areas for purposes of paragraph (1)(B), the Secretary of Labor shall consider—

(A) the graduate areas of national need designated by the Secretary of Education under section 712(b) of the Higher Education Act of 1965 (20 U.S.C. 1135a(b)); and

(B) the STEM Designated Degree Program list issued by the Department of Homeland Security for purposes of the 24-month optional practical training extension described in section 214.2(f)(10)(ii) (C) of title 8, Code of Federal Regulations.

(3) RECOGNITION AS A PROVIDER OF A REPUTABLE POSTSECONDARY CREDENTIAL.— The Secretary of Labor shall recognize an organization or program as a qualified entity, if—

(A) the training program or credentialing program that develops or administers an examination or assessment that is widely recognized in an

occupation is accredited by a nationally recognized accreditor of training programs or of certification or certificate programs;

(B) completion of the training program or a credential from the credentialing program is a condition of obtaining a license to practice an occupation under any state or federal law or regulation; or

(C) the credentialing organization satisfies other criteria for recognition as a qualified entity under regulations or guidance issued by the Secretary of Labor.

(4) RECOGNITION PERIOD.— Any provider and course or program of study, or organization that issues a recognized postsecondary credential, that is recognized as a qualified entity under this Act shall be considered as such for the entire period—

(A) beginning on the date of this Act, and

(B) ending on December 31, 2023, unless earlier revoked by the Secretary of Labor.

(5) APPLICATION FOR RECOGNITION.—

(A) IN GENERAL.— To be recognized as a qualified entity, a provider of training services or an organization that develops or administers credentialing examinations shall submit an application to the Secretary of Labor at such time, in such manner, and containing such information as the Secretary may require.

(B) CONTENTS.— The Secretary shall ensure that the application required under this paragraph—

(i) is streamlined and easy to complete; and

(ii) includes, at a minimum, information and data regarding—

(I) the credential earned through the course or program or examination or assessment;

(II) the average student completion rate for the program or examination or assessment passage rate for the 3-year period preceding the date of application;

(III) the costs of enrollment in the program or the fees to take the examination or assessment,

(IV) whether the program is accredited and, if so, the dates of accreditation and the accreditor, and

(V) whether completion of the training program or a credential from the credentialing program is a condition of obtaining a license to practice an occupation under any state or federal law or regulation, and, if so, citation to one or more such laws or regulations.

(6) REVOCATION OF RECOGNITION.—

(A) **IN GENERAL.**— The Secretary of Labor may revoke such recognition of an organization or program as a qualified entity if the organization or program ceases to meet the recognition requirements published under Section 3(b). The Secretary of Labor shall provide written notice and a 30-day opportunity to respond to the organization or program before rendering a final determination.

(B) **EFFECT OF REVOCATION.**— Upon revocation of recognition, the organization or program shall no longer be a qualified entity and may not grant any Career Rebuilding Scholarship after the date of revocation unless and until a new application for recognition is approved. The organization or program shall be eligible for the credit in Section 2 with respect to any Career Rebuilding Scholarship awarded to an eligible individual prior to the date of revocation.

(7) **DIRECTORY OF QUALIFIED ENTITY PROVIDERS.**— No later than 90 days after the date of enactment of this Act, the Secretary of Labor shall create and make publicly available on the U.S. Department of Labor’s website a directory of all qualified entity providers of training or credentialing programs that meet the recognition requirements published under Section 3(b) and shall regularly update that directory. The directory shall be searchable by fields useful to the public, including type of program, occupation, location, and date of recognition.

(8) REGULATIONS AND GUIDANCE.—

(A) **IN GENERAL.**— The Secretary of Labor (or the Secretary’s designee) shall prescribe such regulations or issue such other guidance as may be necessary to carry out the purposes of this section, including—

(i) standards for procedures and documentation needed for an organization or program to obtain recognition from the Department of Labor as a qualified entity; and

(ii) criteria for a training program or credentialing program that does not meet the requirements in subparagraphs 3(A) or 3(B) of this section to establish that it should be recognized as a qualified entity under subparagraph 3(C) of this section.

(B) **INTERIM REGULATIONS.**— If the Secretary of Labor (or the Secretary’s designee) chooses to promulgate regulations to carry out the purposes of this section, such regulations may be issued on an expedited, interim basis, with any regulations subject to later public comment.

SEC. 4. CAREER REBUILDING SCHOLARSHIP FUND.

(a) **IN GENERAL.**— The Secretary of the Treasury or the Secretary’s designee shall establish a Career Rebuilding Scholarship Fund that shall transfer to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund established under section 201 of the Social Security Act (42 U.S.C. 401), and the Social Security Equivalent Benefit Account established under section 15A(a) of the Railroad Retirement Act of 1974 (45 U.S.C.

231n-1(a)) amounts equal to all Career Rebuilding Payroll Tax Credits claimed by qualified entities.

(b) AUTHORIZATION OF APPROPRIATIONS.— For the purpose of carrying out this section, there are authorized to be appropriated to the Career Rebuilding Scholarship Fund such sums as may be necessary for each of the fiscal years 2021 through 2022.

(c) REIMBURSEMENT PROCESS.—

(1) REPORT.— Within 45 days after the end of each calendar quarter for which any qualified entity has claimed a credit established under section 2 of this Act, the Social Security Administration shall transmit to the Secretary of the Treasury or the Secretary's designee a report of the total amount of all tax credits claimed by qualified entities for the prior calendar quarter, with separate subtotals for the amounts that otherwise would have been paid into the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund and the Social Security Equivalent Benefit Account.

(2) TRANSFER OF FUNDS.— Within 30 days after receipt of such report, the Secretary or the Secretary's designee shall cause to be transferred to the Social Security Administration the full amount stated in the report, and the Social Security Administration shall allocate that payment into the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Social Security Equivalent Benefit Account, as specified in the report.