

117TH CONGRESS
1ST SESSION

H. R. 2201

To provide tax credits to low- to moderate-income individuals for certain computer and education costs, to direct the Federal Communications Commission to modify the requirements for the Lifeline program to provide increased support, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 26, 2021

Mr. DANNY K. DAVIS of Illinois introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide tax credits to low- to moderate-income individuals for certain computer and education costs, to direct the Federal Communications Commission to modify the requirements for the Lifeline program to provide increased support, 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 “Computer and Internet
5 Access Equity Act”.

1 **SEC. 2. PURPOSES.**

2 The purposes of this Act are—

3 (1) to create a comprehensive initiative that will
4 address the need for both computer equipment or
5 devices and broadband/internet subscriptions to cre-
6 ate equity in marginalized communities,

7 (2) to address the problem of ensuring that low
8 and moderate-income school-age children, youth, and
9 college students have access to computer technology
10 before, during and after the pandemic, which is both
11 a national concern and an education and equity
12 issue, and

13 (3) to create a \$10,000 lifetime tax credit for
14 computer costs for individuals (\$20,000 for joint re-
15 turns) in low and moderate-income communities.
16 Many individuals, especially students in elementary
17 schools, are not familiar with completing homework
18 in a computer environment. This legislation also pro-
19 vides 501(c)3 and 501(c)4 organizations and accred-
20 ited academic institutions with funding to provide
21 training and technical support in the use of com-
22 puters and associated technology.

23 **SEC. 3. FINDINGS.**

24 Congress finds the following:

25 (1) A PEW Research Center study revealed
26 that while 58 percent of 8th graders in the United

1 States use a computer to complete homework, low
2 and moderate-income and minority students use
3 cellphones, public wi-fi, or are unable to do their
4 homework. The Pew Research Center study noted
5 that 35 percent of teens in the United States use a
6 cell phone, and 12 percent use public wi-fi. Unfortu-
7 nately, 17 percent of teens in the United States are
8 unable to complete their homework at all, with 25
9 percent of Black students and students with a
10 household income of less than \$30,000 leading the
11 digital homework gap.

12 (2) The Southern Education Foundation re-
13 ported that 15 million to 16 million K–12 public
14 school students are caught in the digital divide, in-
15 cluding more rural states with 40 to 50 percent of
16 students in Alabama, Arkansas, Oklahoma, and Mis-
17 sissippi are seriously affected. Also, the SEF reports
18 that Black, Latinx, and Native American students
19 make up about 55 percent of disconnected students
20 while representing about 40 percent of total stu-
21 dents.

22 (3) As of March 2020, the United States Food
23 and Nutrition Services reported that approximately
24 37,000,000 people are receiving SNAP benefits. Of

1 the 37,000,000 SNAP participants, 44 percent of
2 participants were under 18 years old and school age.

3 (4) The United States Food and Nutrition
4 Services also reports that 20,000,000 young people
5 receive free lunch in the nation's schools. Also, in
6 the United States, 72,000,000 people under 18 live
7 in poverty. When linked to the PEW Research Cen-
8 ter data, this data is an indicator of many millions
9 of low and moderate-income individuals without
10 computers and internet subscriptions during the
11 coronavirus pandemic.

12 (5) The Education Journal reported in 2018
13 that 1.2 million children are falling behind at school
14 because they do not have access to an internet con-
15 nection at home.

16 (6) Many experts agree two issues prevent the
17 elimination of the digital poverty divide:

18 (A) access to devices such as computers
19 and tablets; and

20 (B) Internet access or internet subscrip-
21 tions.

22 (7) Pew research provided evidence of the need
23 for digital literacy, stating in a new analysis that 59
24 percent of parents with lower incomes who had chil-
25 dren in schools that were remote at the time said

1 their children would likely face at least one of three
2 digital obstacles.

3 **SEC. 4. INCREASED LIFELINE SUPPORT.**

4 (a) DEFINITIONS.—In this section:

5 (1) COMMISSION.—The term “Commission”
6 means the Federal Communications Commission.

7 (2) TERMS DEFINED IN REGULATIONS.—The
8 terms defined in section 54.400 of title 47, Code of
9 Federal Regulations (or any successor regulation),
10 have the meanings given those terms in that section.

11 (b) REGULATIONS.—Not later than 14 days after the
12 date of enactment of this Act, the Commission shall pro-
13 mulgate regulations to modify the requirements for the
14 Lifeline program set forth in subpart E of part 54 of title
15 47, Code of Federal Regulations (as in effect on the date
16 of enactment of this Act) to provide for the following:

17 (1) The amount of Lifeline support that a pro-
18 vider of Lifeline service may receive for providing
19 such service to each qualifying low-income consumer
20 shall be increased by the lesser of—

21 (A) \$83.33 per month; or

22 (B) the amount needed to make the
23 amount of Lifeline support received by the pro-
24 vider equal to the cost of providing such service,
25 except that such cost may not exceed the cost

1 to the provider of providing an equivalent level
2 of voice telephony service or broadband internet
3 access service (as applicable) to a consumer who
4 does not receive Lifeline service.

5 (2) The percentage of the Federal Poverty
6 Guidelines (as specified in section 54.409(a)(1) of
7 title 47, Code of Federal Regulations) at or below
8 which a consumer's household income must be in
9 order for the consumer to constitute a qualifying
10 low-income consumer on the basis of income shall be
11 increased to 435 percent.

12 (3) A provider of broadband internet access
13 service shall not be required to be designated as an
14 eligible telecommunications carrier under section
15 214(e) of the Communications Act of 1934 (47
16 U.S.C. 214(e)) in order to receive Lifeline support
17 for providing such service to a qualifying low-income
18 consumer.

19 (c) DURATION.—The modifications made by the reg-
20 ulations promulgated under subsection (b) shall cease to
21 have any force or effect on the date that is 12 years after
22 the date on which the regulations are promulgated.

23 (d) CONSUMER PROTECTIONS.—

24 (1) IN GENERAL.—A provider of broadband
25 internet access service that receives Lifeline support

1 for providing such service to a qualified low-income
2 consumer—

3 (A) shall provide such service to the con-
4 sumer at a minimum speed of 25 megabits per
5 second for downloads and 3 megabits per sec-
6 ond for uploads, which minimum speed shall be
7 reevaluated and, if appropriate, increased by
8 the Commission not less frequently than once
9 every 3 years;

10 (B) shall provide a level of customer serv-
11 ice to the consumer that is comparable to the
12 customer service that the provider provides to
13 consumers of broadband internet access service
14 who do not receive Lifeline service;

15 (C) shall offer such service to each quali-
16 fied low-income consumer in the designated
17 service area of the provider; and

18 (D)(i) shall advertise the availability of
19 such service and the charges therefore using
20 media of general distribution throughout the
21 designated service area of the provider to in-
22 crease awareness among consumers (including
23 non-English speaking consumers) that they may
24 be eligible for such service; and

(ii) may partner with State agencies responsible for the provision of social assistance and service programs in conducting advertising under clause (i).

(2) DESIGNATED SERVICE AREA.—A State commission or the Commission, as applicable, shall establish a designated service area for a provider of broadband internet access service described in paragraph (1) for purposes of that paragraph in the same manner as the State commission or Commission establishes a designated service area for a common carrier under paragraph (5) or (6), as applicable, of section 214(e) of the Communications Act of 1934 (47 U.S.C. 214(e)).

SEC. 5. INTERNET EDUCATION AND TRAINING GRANT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) COMMISSION.—The term “Commission” means the Federal Communications Commission.

(2) COMMUNITY-BASED ORGANIZATION.—The term “community-based organization” has the meaning given the term in section 3 of the Workforce Innovation and Opportunity Act (29 U.S.C. 3102).

1 (3) DIGITAL LITERACY.—The term “digital lit-
2 eracy” means the skills associated with using tech-
3 nology.

4 (4) ELIGIBLE ENTITY.—The term “eligible enti-
5 ty” means—

6 (A) a nonprofit organization;

7 (B) a not-for-profit social welfare organiza-
8 tion; or

9 (C) a community-based organization.

10 (5) FEDERAL POVERTY GUIDELINES.—The
11 term “Federal Poverty Guidelines” means the Fed-
12 eral Poverty Guidelines used for purposes of section
13 54.409(a)(1) of title 47, Code of Federal Regula-
14 tions (or any successor regulation).

15 (6) HOUSEHOLD.—The term “household” has
16 the meaning given the term in section 54.400 of title
17 47, Code of Federal Regulations (or any successor
18 regulation).

19 (7) INCOME.—The term “income” has the
20 meaning given the term in section 54.400 of title 47,
21 Code of Federal Regulations (or any successor regu-
22 lation).

23 (8) NONPROFIT ORGANIZATION.—The term
24 “nonprofit organization” means an organization de-
25 scribed in section 501(c)(3) of the Internal Revenue

1 Code of 1986 and exempt from tax under section
2 501(a) of such Code.

3 (9) NOT-FOR-PROFIT SOCIAL WELFARE ORGANI-
4 ZATION.—The term “not-for-profit social welfare or-
5 ganization” means an organization described in sec-
6 tion 501(c)(4) of the Internal Revenue Code of 1986
7 and exempt from tax under section 501(a) of such
8 Code.

9 (b) GRANTS AUTHORIZED.—Not later than 100 days
10 after the date of enactment of this Act, the Commission
11 shall establish a program to make grants on a competitive
12 basis to eligible entities to develop and carry out an inter-
13 net safety education or training program.

14 (c) APPLICATIONS.—An eligible entity that wishes to
15 receive a grant under this section shall submit to the Com-
16 mission an application at such time, in such manner, and
17 containing such information as the Commission may re-
18 quire.

19 (d) USE OF FUNDS.—An eligible entity that receives
20 a grant under this section shall use grant funds to—

21 (1) develop a program to provide internet edu-
22 cation and training, which may address cyberbully-
23 ing, online privacy, cybersecurity, and digital lit-
24 eracy, to individuals living in households with an in-

1 come at or below 435 percent of the Federal Poverty
2 Guidelines for households of the applicable size; and

3 (2) provide such education or training to such
4 individuals through such program.

5 (e) REPORTS.—

6 (1) REPORTS TO COMMISSION.—Not later than
7 3 years after the date on which an eligible entity re-
8 ceives a grant under this section, the eligible entity
9 shall publish and submit to the Commission a report
10 that—

11 (A) describes the use of the grant by the
12 eligible entity, including the number of individ-
13 uals served by the eligible entity using grant
14 funds;

15 (B) describes the progress of the eligible
16 entity toward fulfilling the objectives for which
17 the grant was awarded; and

18 (C) includes any additional information re-
19 quired by the Commission.

20 (2) REPORT TO CONGRESS.—Not later than 5
21 years after the date of enactment of this Act, the
22 Commission shall publish and submit to Congress a
23 report that—

1 (A) summarizes the data from the reports
2 that the Commission has received under para-
3 graph (1); and

4 (B) assesses the effectiveness and cost-ef-
5 fectiveness of the grant program established
6 under this section.

7 (f) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated such sums as may be
9 necessary to carry out this section.

10 **SEC. 6. CREDIT FOR COMPUTER COSTS.**

11 (a) IN GENERAL.—Subpart C of part IV of sub-
12 chapter A of chapter 1 of the Internal Revenue Code of
13 1986 is amended by inserting after section 36B the fol-
14 lowing new section:

15 **“SEC. 36C. CREDIT FOR COMPUTER COSTS.**

16 “(a) IN GENERAL.—In the case of an eligible indi-
17 vidual, there shall be allowed as a credit against the tax
18 imposed by this subtitle for the taxable year an amount
19 equal the lesser of—

20 “(1) the amount of qualified computer costs
21 paid or incurred by the taxpayer during such taxable
22 year,

23 “(2) \$2,000 (\$4,000 in the case of a joint re-
24 turn), or

1 “(3) an amount equal to \$10,000 (\$20,000 in
2 the case of a joint return) minus the sum of any
3 credits allowed to the taxpayer under this section for
4 any preceding taxable year.

5 “(b) QUALIFIED COMPUTER COSTS.—For purposes
6 of this section, the term ‘qualified computer costs’ means
7 amounts paid or incurred for computers, printers, and
8 other education-related technology.

9 “(c) LIMITATION BASED ON ADJUSTED GROSS IN-
10 COME.—With respect to any taxable year, the \$2,000
11 amount (or, in the case of a joint return, \$4,000 amount)
12 in subsection (a)(2) shall be reduced by an amount equal
13 to 5 percent of so much of the taxpayer’s adjusted gross
14 income for such taxable year as exceeds—

15 “(1) \$72,000 in the case of a joint return,

16 “(2) \$54,000 in the case of a head of house-
17 hold, and

18 “(3) \$36,000 in the case of a taxpayer not de-
19 scribed in paragraph (1) or (2).

20 “(d) ELIGIBLE INDIVIDUAL.—The term ‘eligible indi-
21 vidual’ means any individual other than—

22 “(1) any nonresident alien individual,

23 “(2) any individual with respect to whom a de-
24 duction under section 151 is allowable to another
25 taxpayer for a taxable year beginning in the cal-

1 endar year in which the individual’s taxable year be-
2 gins, and

3 “(3) an estate or trust.

4 “(e) APPLICATION OF SECTION.—This section shall
5 only apply to qualified computer costs incurred by the tax-
6 payer after December 31, 2020, and before January 1,
7 2033.”.

8 (b) ADVANCE PAYMENT OF CREDIT.—

9 (1) IN GENERAL.—Chapter 77 of the Internal
10 Revenue Code of 1986, as amended by section
11 9611(b) of the American Rescue Plan Act of 2021
12 (Public Law 117-2), is amended by inserting after
13 section 7527A the following new section:

14 **“SEC. 7527B. ADVANCE PAYMENT OF CREDIT FOR COM-**
15 **PUTER COSTS.**

16 “(a) IN GENERAL.—As soon as practicable after the
17 date of the enactment of this section, the Secretary shall
18 establish a program for making advance payments of the
19 credit allowed under section 36C (determined without re-
20 gard to subsection (e) of such section), on such basis as
21 the Secretary determines to be administratively feasible,
22 to taxpayers determined to be eligible for advance payment
23 of such credit.

24 “(b) LIMITATION.—

1 “(1) IN GENERAL.—The Secretary may make
 2 payments under subsection (a) only to the extent
 3 that the total amount of such payments made to any
 4 taxpayer during the taxable year does not exceed the
 5 amount of the credit determined under subsection
 6 (a) of section 36C, as determined based on applica-
 7 tion of subsection (c) of such section using the ad-
 8 justed gross income of the taxpayer for the most re-
 9 cent taxable year for which a return has been filed
 10 during any of the preceding 3 taxable years.

11 “(2) NON-FILERS.—In the case of any taxpayer
 12 who has not filed a return during the period de-
 13 scribed in paragraph (1), such paragraph shall be
 14 applied without regard to subsection (c) of section
 15 36C.”.

16 (2) RECONCILIATION OF CREDIT AND ADVANCE
 17 CREDIT.—Section 36C of such Code, as added by
 18 subsection (a), is amended—

19 (A) by redesignating subsection (e) as sub-
 20 section (f); and

21 (B) by inserting after subsection (d) the
 22 following new subsection:

23 “(e) RECONCILIATION OF CREDIT AND ADVANCE
 24 CREDIT.—

1 “(1) IN GENERAL.—The amount of the credit
2 allowed under this section for any taxable year shall
3 be reduced (but not below zero) by the aggregate
4 amount of any advance payments of such credit
5 under section 7527B for such taxable year.

6 “(2) EXCESS ADVANCE PAYMENTS.—

7 “(A) IN GENERAL.—If the aggregate
8 amount of advance payments under section
9 7527B for the taxable year exceeds the amount
10 of the credit allowed under this section for such
11 taxable year (determined without regard to
12 paragraph (1)), the tax imposed by this chapter
13 for such taxable year shall be increased by the
14 amount of such excess.

15 “(B) RETURN REQUIREMENT.—If the tax
16 imposed by this chapter for the taxable year is
17 increased under this paragraph, the taxpayer
18 shall, notwithstanding section 6012, be required
19 to file a return with respect to the taxes im-
20 posed under this subtitle.”.

21 (c) CONFORMING AMENDMENTS.—

22 (1) Section 6211(b)(4)(A) of the Internal Rev-
23 enue Code of 1986 is amended—

24 (A) by inserting “36C,” after “36B,” and

1 (B) by striking “and 7527A” and inserting
2 “7527A, and 7527B”.

3 (2) Paragraph (2) of section 1324(b) of title
4 31, United States Code, is amended—

5 (A) by inserting “36C,” after “36B,” and

6 (B) by striking “or 7527A” and inserting
7 “7527A, or 7527B”.

8 (3) The table of sections for subpart C of part
9 IV of subchapter A of chapter 1 of the Internal Rev-
10 enue Code of 1986 is amended by inserting after the
11 item relating to section 36B the following new item:

“Sec. 36C. Credit for Computer Costs.”.

12 (4) The table of sections for chapter 77 of such
13 Code is amended by inserting after the item relating
14 to section 7527A the following new item:

“Sec. 7527B. Advance payment of credit for computer costs.”.

15 (d) PUBLIC AWARENESS CAMPAIGN.—The Secretary
16 of the Treasury (or the Secretary’s delegate) shall conduct
17 a public awareness campaign, in coordination with the
18 Commissioner of Social Security, the Secretary of Vet-
19 erans Affairs, and the heads of other relevant Federal and
20 State agencies, to provide information to the public (in-
21 cluding non-English speaking populations) regarding the
22 availability of the credit allowed under section 36C of the
23 Internal Revenue Code of 1986 and advance payment of

1 such credit pursuant to section 7527B of such Code (as
2 added by this section).

3 (e) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to costs incurred in taxable years
5 beginning after December 31, 2020.

○