

Smoothstack Leads in Connecting IRS Section 132 to AI Workforce Training

Employers can now leverage IRS Section 132 to fund AI workforce training tax-free, reducing costs while building a future-ready talent pipeline.

WASHINGTON, DC, UNITED STATES, October 1, 2025 /EINPresswire.com/ --

Smoothstack, a leader in workforce transformation and skills-based hiring, today announced its alignment with new federal initiatives to expand AI literacy and skill development. Building

on CEO John Akkara's participation in the White House AI Education Taskforce, the company is showcasing how its hire-train-deploy model positions enterprises to benefit from potential tax-advantaged training under IRS Section 132 while supporting the goals of Executive Order 14277, "Advancing Artificial Intelligence Education for American Youth."

Signed on April 23, 2025, Executive Order 14277 establishes a national framework to integrate AI education into K-12 and workforce development programs. It calls for the creation of public-private partnerships, expanded AI-related apprenticeships, and increased federal investment in teacher training and AI-focused research. The White House AI Education Taskforce was established to coordinate these efforts, underscoring the Administration's commitment to preparing the next generation of workers for an AI-driven economy.

In parallel, recent federal guidance clarified that many AI literacy and skills development programs may now qualify as eligible educational assistance under IRS Section 132, which governs tax-free fringe benefits. This update enables employers to reimburse job-related AI training on a tax-free basis, encouraging private-sector investment in AI workforce readiness. Section 132 has no dollar limit when training is directly related to an employee's role - making it a powerful tool for enterprises scaling AI adoption.

Smoothstack sources untapped U.S talent, provides 10-12 weeks of intensive, job-specific AI training, and places them directly into enterprise roles that launch lasting careers. This model simultaneously expands access to opportunity for workers and delivers a steady pipeline of AI-



ready talent for employers - directly supporting federal priorities for AI literacy and workforce readiness. By structuring training in a way that may qualify under IRS Section 132, enterprises can build their AI workforce more cost-effectively, while individuals gain skills and careers that transform their futures without added tax burden.

"AI is going to shape every industry, and we have a responsibility to make sure Americans are prepared. At Smoothstack, we're opening doors for untapped talent to build AI careers, even before college, while giving enterprises the skilled workforce they need. With the federal government now prioritizing AI education and training, our model helps advance opportunity for individuals while strengthening the nation's readiness for an AI-driven economy."- John Akkara, CEO of Smoothstack

About Smoothstack

Smoothstack is a leading workforce transformation company advancing AI-driven workforce development and skills-based hiring. The company develops untapped talent into technology professionals, helping Fortune 500 companies and federal agencies scale while expanding access to meaningful careers in high-demand fields. For more information visit www.smoothstack.com.

*Disclaimer: Smoothstack does not provide tax or legal advice. References to IRS Section 132 are based on recent federal guidance related to workforce training and AI education ([America's AI Action Plan, The White House](#)). Employers should consult their own tax advisors to determine how these provisions may apply to their specific circumstances.

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