

1 HB108
2 197150-2
3 By Representatives Baker and Collins
4 RFD: Ways and Means Education
5 First Read: 05-MAR-19

2
3
4
5
6
7
8 SYNOPSIS: This bill would establish the Alabama
9 Industry Recognized and Registered Apprenticeship
10 Program Act.

11 This bill would create the Alabama Office of
12 Apprenticeship to certify registered and
13 industry-recognized apprenticeship programs in the
14 state in lieu of the federal office of
15 apprenticeship that currently administers state
16 registered apprenticeship programs.

17 This bill would authorize the Alabama Office
18 of Apprenticeship to provide a federally recognized
19 state apprenticeship completion credential for
20 registered and industry recognized apprenticeships
21 certified by the Alabama Office of Apprenticeship.

22 This bill would also increase the per capita
23 apprenticeship tax credit from \$1,000 to \$1,250;
24 increase the aggregate apprenticeship tax credit
25 from \$3,000,000 to \$7,500,000; provide a \$500 per
26 capita incentive tax credit for hiring in school

1 youth apprentices; and extend the apprenticeship
2 tax credit through 2025.

3
4 A BILL
5 TO BE ENTITLED
6 AN ACT

7
8 To establish the Alabama Industry Recognized and
9 Registered Apprenticeship Program Act; to establish the
10 Alabama Office of Apprenticeship to certify registered and
11 industry recognized apprenticeship programs; to develop the
12 Alabama Registered and Industry Recognized Apprenticeship
13 Program; to provide incentives to employers who hire
14 apprentices; to offer a nationally recognized state
15 apprenticeship credential; and to amend Sections 40-18-422,
16 40-18-423, and 40-18-424 of the Code of Alabama 1975, relating
17 to the Apprenticeship Tax Credit Act of 2016; to increase the
18 per capita apprenticeship tax credit from \$1,000 to \$1,250,
19 increase the aggregate apprenticeship tax credit from
20 \$3,000,000 to \$7,500,000, provide a \$500 per capita incentive
21 tax credit for hiring in school youth apprentices; and to
22 extend the apprenticeship tax credit through 2025.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Sections 1 to 7, inclusive, shall be
25 known and may be cited as the Alabama Industry Recognized and
26 Registered Apprenticeship Program Act.

1 Section 2. For the purposes of Sections 1 to 7,
2 inclusive, the following terms shall have the following
3 meanings:

4 (1) APPRENTICE. A worker who is at least 16 years of
5 age, except where a higher minimum age standard is otherwise
6 fixed by law, who is employed to learn an apprenticeable
7 occupation as provided in 29 CFR 29.4.

8 (2) APPRENTICESHIP AGREEMENT. A written agreement
9 between an apprentice and either the apprenticeship program
10 sponsor, or an apprenticeship committee acting as agent for
11 the apprenticeship program sponsor or sponsors, which contains
12 the terms and conditions of the employment and training of the
13 apprentice in conformance with 29 CFR 29 and Section
14 40-18-421, Code of Alabama 1975.

15 (3) APPRENTICESHIP PROGRAM. A plan containing all
16 terms and conditions for the qualification, recruitment,
17 selection, employment, and training of apprentices, as
18 required under the federal guidelines in CFR Title 29,
19 Subtitle A, parts 29 and 30, U.S.C. §50, and the rules adopted
20 by the Alabama Office of Apprenticeship, including such
21 matters as the requirement for a written apprenticeship
22 agreement.

23 (4) CANCELLATION. The termination of the
24 registration or approval status of an apprenticeship program
25 at the request of the sponsor, or termination of an
26 apprenticeship agreement at the request of the apprentice.

1 (5) CERTIFICATION or CERTIFICATE. The written
2 approval by the Alabama Office of Apprenticeship of a set of
3 apprenticeship standards or of an individual for employment as
4 an apprentice or probationary apprentice in a registered
5 apprenticeship program or proof that an apprentice has
6 successfully met the requirements to receive an interim
7 credential.

8 (6) DEREGISTRATION. The termination of the
9 registration or approval status of an apprenticeship program
10 upon written request of the sponsor or upon cause by the
11 Alabama Office of Apprenticeship instituting formal
12 deregistration proceedings.

13 (7) ELIGIBLE EMPLOYER. The same meaning as provided
14 in Section 40-18-421, Code of Alabama 1975.

15 (8) EMPLOYER. Any person or organization employing
16 an apprentice, whether or not the person or organization is a
17 party to an apprenticeship agreement with the apprentice.

18 (9) FEDERAL PURPOSES. Any action related to a
19 federal contract, grant, agreement, or arrangement dealing
20 with an apprenticeship. The term includes any federal
21 financial or other assistance, benefit, privilege,
22 contribution, allowance, exemption, preference, or right
23 pertaining to an apprenticeship.

24 (10) GOVERNOR. The chief executive of this state.

25 (11) IN SCHOOL YOUTH. A youth described in Section
26 129(a)(1)(C) of the federal Workforce Innovation and
27 Opportunity Act.

1 (12) ON THE JOB TRAINING. Training by an employer
2 that is provided to a paid participant while engaged in
3 productive work in a job that provides knowledge or skills
4 essential to the full and adequate performance of the job; is
5 made available through a program that provides reimbursement
6 to the employer of up to 50 percent of the wage rate of the
7 participant, except as provided in Section 134(c) (3) (H) of the
8 federal Workforce Innovation and Opportunity Act, for the
9 extraordinary costs of providing the training and additional
10 supervision related to the training; and is limited in
11 duration as appropriate to the occupation for which the
12 participant is being trained, taking into account the content
13 of the training, the prior work experience of the participant,
14 and the service strategy of the participant, as appropriate.

15 (13) REGISTRATION AGENCY. The agency that has
16 responsibility for registering apprenticeship programs and
17 apprentices, providing technical assistance, and conducting
18 review for compliance with existing state law and the state
19 plan for equal employment opportunities.

20 (14) REQUIRED TECHNICAL INSTRUCTION. An organized
21 and systematic form of instruction designed to provide the
22 apprentice with knowledge of the theoretical and technical
23 subjects related to the occupation of the apprentice. The
24 instruction may be given in a classroom, through occupational
25 or industrial courses, or by correspondence courses of
26 equivalent value, electronic media, or other forms of
27 self-study approved by the Alabama Office of Apprenticeship.

1 The sponsor shall be responsible for the administration and
2 supervision of related and supplemental instruction for
3 apprentices and coordination of the instruction with job
4 experience.

5 (15) SPONSOR. Any person, association, committee, or
6 organization operating an apprenticeship program and in whose
7 name the program is, or will be, registered or approved.

8 (16) STATE APPRENTICESHIP AGENCY. The Alabama Office
9 of Apprenticeship, which is responsible and accountable for
10 apprenticeships within the state and is recognized by the U.S.
11 Department of Labor, Office of Apprenticeship, with the
12 authority to register and oversee apprenticeship programs and
13 apprenticeship agreements for federal purposes.

14 (17) VETERAN. The meaning given the term in Section
15 101 of Title 38, United States Code.

16 (18) WORK BASED LEARNING. Sustained interactions
17 with industry or community professionals in real workplace
18 settings, to the extent practicable, or simulated environments
19 at an educational institution that foster in depth, first hand
20 engagement with the tasks required of a given career field,
21 that are aligned to curriculum and instruction.

22 Section 3. (a) There is established the Alabama
23 Office of Apprenticeship as a part of the Workforce
24 Development Division of the Department of Commerce, in
25 accordance with 29 U.S.C. 50, 29 CFR 29 and 30, and Article
26 20, commencing with Section 40-18-420, of Chapter 18, Title
27 40, Code of Alabama 1975, the Apprenticeship Tax Credit Act of

1 2016. The Alabama Office of Apprenticeship is established for
2 all of the following purposes:

3 (1) To exercise nonexclusive authority to determine
4 whether an apprenticeship program conforms to the regulations
5 published in 29 CFR 29 and 30.

6 (2) To set forth labor standards necessary to
7 safeguard the welfare of apprentices.

8 (3) To establish policies and procedures for the
9 registration and deregistration of preapprenticeships, youth
10 registered apprenticeships, youth industry recognized
11 apprenticeships, registered apprenticeships, and industry
12 recognized apprenticeships in the state.

13 (4) To serve as the registration agency for
14 preapprenticeships, youth registered apprenticeships, youth
15 industry recognized apprenticeships, registered
16 apprenticeships, and industry recognized apprenticeships in
17 the state.

18 (5) To resolve disputes arising between the parties
19 involved in an apprenticeship agreement registered by the
20 Alabama Office of Apprenticeship.

21 (b) The Alabama Office of Apprenticeship shall be
22 maintained under the direction of the Deputy Secretary of the
23 Workforce Development Division of the Department of Commerce.
24 The deputy secretary, with the advice and consent of the
25 Alabama Apprenticeship Council created pursuant to Section 7,
26 may appoint a director for the Alabama Office of
27 Apprenticeship, who shall serve at the pleasure of the deputy

1 secretary, shall manage the Alabama Office of Apprenticeship,
2 and shall perform such duties as necessary to effectuate the
3 intent of Sections 1 to 7, inclusive.

4 (3) The deputy secretary, no later than June 30,
5 2019, shall submit to the United States Secretary of Labor and
6 the Administrator of the national Office of Apprenticeship, in
7 accordance with 29 CFR 29.13(a), an application to recognize
8 the Alabama Office of Apprenticeship as a state apprenticeship
9 agency that shall comply with 29 CFR 29.13(a)-(c). The
10 application for recognition as a state apprentice agency,
11 submitted by the deputy secretary, shall include all of the
12 following elements:

13 (1) A description of policies and operating
14 procedures that depart from, or impose requirements in
15 addition to, 29 CFR 29.

16 (2) A state plan for equal employment opportunity in
17 apprenticeship that conforms to the requirements published in
18 29 CFR 30.

19 (3) A description of the basic standards, criteria,
20 requirements for program registration or approval, or both,
21 and a demonstration of the linkages and coordination with the
22 economic development and publicly funded workforce investment
23 system of the state.

24 (4) A description of how the Alabama Office of
25 Apprenticeship will utilize the Alabama Apprenticeship
26 Council.

1 (5) A description of respective powers of the
2 Alabama Office of Apprenticeship and the Alabama
3 Apprenticeship Council.

4 (6) A description of the required contents of
5 apprenticeship agreements, in conformity with 29 CFR 29.7.

6 (7) A plan to ensure that the registration of
7 apprenticeship programs occurs only in apprenticeable
8 occupations, as provided in 29 CFR 29.4, including occupations
9 in high growth and high demand industries, including a
10 description of how the Alabama Office of Apprenticeship will
11 expand apprenticeship opportunities in apprenticeable
12 occupations listed on the regional and statewide list of in
13 demand career pathways.

14 (8) A plan to accord reciprocal approval, for
15 federal purposes, to apprentices, apprenticeship programs, and
16 standards that are registered in other states by the national
17 Office of Apprenticeship or a registration agency, if such
18 reciprocity is requested by the apprenticeship program
19 sponsor. Program sponsors seeking reciprocal approval shall
20 meet wage and hour provisions and apprentice ratio standards
21 of this state.

22 (9) A plan providing for the cancellation or
23 deregulation, or both, of programs, for temporary suspension,
24 cancellation, or deregistration, or any of these, of
25 apprenticeship agreements.

26 Section 4. (a) The Alabama Office of Apprenticeship,
27 with the advice and consent of the Alabama Apprenticeship

1 Council, shall develop a nationally recognized state
2 apprenticeship completion credential, as described in 29 CFR
3 29.5, for completing a registered or industry recognized
4 apprenticeship program registered with the Alabama Office of
5 Apprenticeship.

6 (b) The Alabama Office of Apprenticeship may certify
7 industry recognized apprenticeships, registered with the
8 Alabama Office of Apprenticeship, as eligible training
9 providers for the purpose of the federal Workforce Innovation
10 and Opportunity Act, P.L. 113-128, and may deliver services to
11 registered apprenticeship participants with qualifying
12 training accounts under Title I of the federal Workforce
13 Innovation and Opportunity Act, P.L. 113-128, through the
14 eligible training provider list of each regional workforce
15 development board.

16 (c) The Alabama Office of Apprenticeship, with the
17 advice and consent of the Alabama Office of Apprenticeship and
18 pursuant to the Alabama Administrative Procedure Act, may
19 adopt rules as necessary to effectuate the intent of Sections
20 1 to 7, inclusive, and those rules shall conform to the
21 published apprenticeship guidelines in 29 CFR 20 and 30.

22 (d) The Alabama Office of Apprenticeship, with the
23 advice and consent of the Alabama Apprenticeship Council, may
24 approve apprenticeship programs that are mandated by state or
25 federal law as a result of the apprenticeship sponsor
26 receiving funds or resources from the state, or funds or
27 resources from the federal government, which require the

1 creation of an apprenticeship program in accordance with a
2 federal grant administered by the state, including contracts,
3 grants, loans, tax abatements or exemptions, land transfers,
4 land disposition and development agreements, tax increment
5 financing, or any combination thereof.

6 (e) The Alabama Office of Apprenticeship shall
7 establish competency based apprenticeship frameworks based on
8 the regional and statewide compendia of valuable credentials
9 created by the Alabama Workforce Council Committee on
10 Credentialing and Career Pathways. The Alabama Office of
11 Apprenticeship shall establish competency based apprenticeship
12 frameworks for each occupation listed on a regional and
13 statewide list of in demand career pathways.

14 Section 5. The Alabama Community College System
15 Board of Trustees, by rule, shall direct the Chancellor of the
16 Alabama Community College System to submit an application to
17 the United States Department of Labor Employment and Training
18 Administration for membership in the Registered Apprenticeship
19 College Consortium. The Chancellor shall direct the Alabama
20 Community College System to serve as an intermediary for
21 registered and industry recognized apprenticeships in Alabama.
22 The Chancellor, with the advice and consent of the Alabama
23 Office of Apprenticeship and the Alabama Apprenticeship
24 Council, shall select a recognized third-party evaluator to
25 evaluate the college credit value of each apprenticeship
26 completion certification aligned with a registered or industry
27 recognized apprenticeship program completed in the state. The

1 Alabama Community College System, and all public institutions
2 of higher education in the state receiving state funding,
3 shall accept the college credit value of registered and
4 industry recognized apprenticeship certifications of
5 completion.

6 Section 6. (a) The Alabama Office of Apprenticeship,
7 in consultation with the Governor's Office of Education and
8 Workforce Transformation, the P-20W Council, the Alabama
9 Workforce Council Committee on Credentialing and Career
10 Pathways, the State Department of Education, the Alabama
11 Community College System, the Alabama Workforce Council, the
12 regional workforce councils, the State Workforce Development
13 Board, and the local workforce development boards, to the
14 maximum extent practicable and permissible under state and
15 federal law, shall align the required technical instruction
16 and on the job training required for the completion of
17 registered and industry recognized apprenticeships in the
18 state offered to career and technical education concentrators
19 through federal funds received through the federal Carl D.
20 Perkins Career and Technical Education Act of 2006, P.L.
21 109-270, as revised by the federal Strengthening Career and
22 Technical Education for the 21st Century Act, P.L. 115-224,
23 and adult basic education and literacy programs funded under
24 Title II of the federal Workforce Innovation and Opportunity
25 Act, P.L. 113-128, and public workforce programs funded under
26 Title I and Title III of the federal Workforce Innovation and
27 Opportunity Act, P.L. 113-128, and state funds received

1 through the Education Trust Fund, as defined and described in
2 Chapter 13 of Title 16 and Chapter 9 of Title 29, Code of
3 Alabama 1975, and through the adult education, special
4 populations training, dual enrollment, and industry
5 certification initiatives, administered by the Alabama
6 Community College System, and the career tech initiative,
7 including secondary credentialing initiatives and career
8 coaches, administered by the State Department of Education, to
9 the regional and statewide lists of in demand career pathways
10 credentials and to the two prong career pathways model created
11 by the Alabama Workforce Council Committee on Credentialing
12 and Career Pathways.

13 (b) The Alabama Office of Apprenticeship, in
14 consultation with the Governor's Office of Education and
15 Workforce Transformation, the P-20W Council, the Alabama
16 Workforce Council Committee on Credentialing and Career
17 Pathways, the State Department of Education, the Alabama
18 Community College System, the Alabama Workforce Council, the
19 regional workforce councils, the State Workforce Development
20 Board, and the local workforce development boards, shall
21 develop the Alabama Industry Recognized and Registered
22 Apprenticeship (AIRRAP) model that shall be aligned to the
23 regional and statewide lists of in demand career pathways, to
24 the regional and statewide compendia of valuable credentials,
25 and to the two prong career pathways model created by the
26 Alabama Workforce Council Committee on Credentialing and

1 Career Pathways. The AIRRAP model shall conform to all of the
2 following parameters:

3 (1) Beginning in fifth grade, student AIRRAP model
4 participants shall be given the opportunity to participate in
5 career exploration activities. Beginning in 9th grade,
6 students may participate in preapprenticeship programs aligned
7 to career pathways and credentials designated as valuable by
8 the state compendium of valuable credentials. During 10th,
9 11th, and 12th grade, students shall participate in youth
10 registered apprenticeships and industry recognized
11 apprenticeship programs. AIRRAP model graduates may earn their
12 high school diploma, associate degree, industry recognized
13 credentials, and an apprenticeship credential at the time of
14 high school graduation. Students participating in youth
15 apprenticeships shall also participate in dual enrollment
16 courses at a community college. The State Department of
17 Education and the Alabama Community College System shall
18 collaborate to streamline articulation agreements among career
19 pathways participating in the AIRRAP model to ensure a
20 seamless transition between high school and community college.
21 The Alabama Office of Apprenticeship shall promote dual
22 enrollment and postsecondary graduation credit for work based
23 learning credits earned while participating in secondary in
24 school youth AIRRAP model programs.

25 (2) The Alabama Office of Apprenticeship and the
26 Alabama Community College System shall promote registered and
27 industry recognized apprenticeship programs for individuals

1 who are coenrolled in adult basic education programs and
2 postsecondary career and technical education programs to
3 ensure that individuals who are disengaged from the workforce
4 are able to gain access to education and training programs,
5 with multiple points of entry and exit, with a focus on
6 targeting the underemployed, historically underrepresented
7 subgroups, the formerly incarcerated, out of school youth,
8 recipients of temporary assistance for needy families,
9 supplemental security income, or supplemental nutritional
10 assistance programs, the long term unemployed, those
11 recovering from substance abuse, veterans, displaced
12 homemakers, and other special populations and subgroups. The
13 Alabama Office of Apprenticeship shall promote the use of the
14 federal workforce opportunity tax credit to hire eligible
15 AIRRAP model participants. The Alabama Office of
16 Apprenticeship shall establish an awards and recognition
17 program for employers who hire in school youth and adult
18 AIRRAP model participants.

19 Section 7. (a) The Alabama Apprenticeship Council,
20 which shall be composed of an equal number of public and
21 private persons representing employer and employee
22 organizations that are familiar with apprenticeable
23 occupations, is established. All appointing authorities shall
24 coordinate their appointments so that diversity of gender,
25 race, and geographical areas is reflective of the makeup of
26 this state. The membership of the council shall consist of the
27 following:

1 (1) The Governor.

2 (2) The Lieutenant Governor.

3 (3) The President Pro Tempore of the Senate.

4 (4) The Speaker of the House of Representatives.

5 (5) Nine members appointed by the Governor, and
6 confirmed by the Senate, for a renewable term of service. The
7 Governor shall assure that the membership of the council is
8 inclusive and reflects the racial, gender, geographic, urban,
9 rural, and economic diversity of the state. The members of the
10 council appointed pursuant to this subdivision shall satisfy
11 all of the following qualifications:

12 a. Three members shall be representatives of
13 employer organizations.

14 b. Three members shall be public representatives who
15 are members of employee or employer organizations.

16 c. Three members shall be representatives of
17 employee organizations.

18 (b) The initial term of office of the nine members
19 appointed to the council by the Governor shall be designated
20 at the time of initial appointment by the Governor as follows:

21 (1) Three members, consisting of one member
22 appointed pursuant to each of paragraphs a., b., and c. of
23 subdivision (5) of subsection (a), shall be appointed for an
24 initial term of one year. Successor members shall be appointed
25 for terms of three years.

26 (2) Three members, consisting of one member
27 appointed pursuant to each of paragraphs a., b., and c. of

1 subdivision (5) of subsection (a), shall be appointed for an
2 initial term of two years. Successor members shall be
3 appointed for terms of three years.

4 (3) Three members, consisting of one member
5 appointed pursuant to each of paragraphs a., b., and c. of
6 subdivision (5) of subsection (a), shall be appointed for an
7 initial term of three years. Successor members shall be
8 appointed for terms of three years.

9 (c) Vacancies shall be filled by appointment of the
10 Governor. The person appointed to fill a vacancy shall possess
11 the same qualifications as the original appointment and shall
12 hold office for the unexpired term and until his or her
13 successor is appointed.

14 (d) The Alabama Apprenticeship Council shall serve
15 in an advisory capacity to the Alabama Office of
16 Apprenticeship for all of the following functions:

17 (1) The approval of apprenticeship standards
18 satisfying the requirements published in 29 CFR 29.

19 (2) Ensuring compliance of equal employment
20 opportunity in apprenticeship, as defined in 29 CFR 30.

21 (3) Resolving disputes arising between the parties
22 to an apprenticeship agreement.

23 (4) Providing recommendations to deregister,
24 suspend, or cancel apprenticeship programs that are not
25 compliant with state and federal apprenticeship regulations,
26 as published in 29 CFR 29 and Article 20, commencing with

1 Section 40-18-420, of Chapter 18, Title 40, Code of Alabama
2 1975, the Apprenticeship Tax Credit Act of 2016.

3 (5) Providing community outreach and education on
4 the benefits of apprenticeship.

5 (6) Assisting in the formulation of policies that
6 concede the effective administration of apprenticeship
7 programs.

8 Section 8. Sections 40-18-422, 40-18-423, and
9 40-18-424 of the Code of Alabama 1975, are amended to read as
10 follows:

11 "§40-18-422.

12 "(a) An Alabama income tax credit is hereby
13 established for eligible employers that employ an apprentice
14 for at least seven full months of the prior taxable year. The
15 credit shall equal up to ~~one thousand dollars (\$1,000)~~ one
16 thousand two hundred fifty dollars (\$1,250) for each
17 apprentice employed, not to exceed ~~five~~ 10 apprentices
18 employed. The Department of Revenue, in consultation with the
19 Workforce Development Division of the Department of Commerce
20 and the Alabama Office of Apprenticeship, shall establish a
21 scale reflecting ranges of amounts of money an employer has
22 invested in an eligible apprentice and a corresponding tax
23 credit amount and shall award the tax credit in accordance
24 with this scale following confirmation from the Workforce
25 Development Division and the Alabama Office of Apprenticeship
26 that the apprentice for whom the credit is claimed is in
27 compliance with all federal and state requirements for the

1 apprenticeship program. The credit shall not be available for
2 an individual apprentice for more than four taxable years.

3 "(b) For each credit claimed for each qualified
4 apprentice under subsection (a) associated with an apprentice
5 enrolled in a secondary or postsecondary career and technical
6 education program, who is under the age of 18 at the time the
7 credit is claimed, and who is participating in a youth
8 registered or industry recognized apprenticeship program
9 registered with the Alabama Office of Apprenticeship and
10 funded through either the Carl D. Perkins Career and Technical
11 Education Act of 2006, P.L. 109-270, as revised by the
12 Strengthening Career and Technical Education for the 21st
13 Century Act, P.L. 115-224, adult basic education and literacy
14 programs funded under Title II of the Workforce Innovation and
15 Opportunity Act, P.L. 113-128, or public workforce programs
16 funded under Title I and Title III of the Workforce Innovation
17 and Opportunity Act, P.L. 113-128, may qualify for an
18 additional tax credit, not to exceed five hundred dollars
19 (\$500) to offset the costs associated with hiring each
20 apprentice who is under the age of 18, not to exceed the
21 aggregate cap of 10 apprentices hired, as provided in
22 subsection (a). An eligible employer under this subsection may
23 claim the additional tax credit described in this subsection
24 after employing an in school youth apprentice, who satisfies
25 the specifications provided in this subsection, for 90 days.

26 ~~"(b)~~(c) The credit shall be allowed against the tax
27 imposed by Chapter 16 or Chapter 18 ~~of this title~~. This tax

1 credit shall not be allowed to decrease a taxpayer's tax
2 liability to less than zero. The credit is not refundable or
3 transferable. The credit shall be available, on a pro rata
4 basis, to the owners of qualified employers that are entities
5 taxed under subchapters S or K of the Internal Revenue Code or
6 limited liability companies or professional corporations
7 authorized to do business in this state. An employer applying
8 for a tax credit must apply each year to receive the credit
9 for the preceding calendar year.

10 ~~"(c)(d)~~ The cumulative amount of tax credits issued
11 pursuant to this article shall not exceed ~~three million~~
12 ~~dollars (\$3,000,000)~~ seven million five hundred thousand
13 dollars (\$7,500,000) annually. The Department of Revenue shall
14 ensure that this cap is not exceeded, shall prescribe the
15 various methods by which these credits are to be issued, and
16 shall develop procedures to notify taxpayers at such points in
17 time when the tax credit caps in this subsection have been
18 reached for the applicable tax credit year.

19 ~~"(d)(e)~~ If an employer employs an apprentice for
20 less than the full preceding calendar year, but for at least
21 90 days during the full preceding calendar year, then the
22 employer may apply for the full value of the credit ~~on a pro~~
23 ~~rata monthly basis beginning on the first day of the first~~
24 ~~full month of apprenticeship.~~

25 ~~"(e)(f)~~ The Department of Revenue shall prescribe a
26 form to claim this credit that provides information to the

1 department sufficient for the proper administration of the
2 credit.

3 "~~(f)~~(g) The participation of an employee with an
4 apprenticeship program under this article and registration
5 with the Alabama Office of Apprenticeship ~~of the Employment~~
6 ~~and Training Administration of the United States Department of~~
7 ~~Labor~~ shall not constitute union affiliation, unless the
8 employee expressly elects to affiliate with a union.

9 "§40-18-423.

10 "(a) The Alabama Office of Apprenticeship, under the
11 direction of the Workforce Development Division of the
12 Department of Commerce, ~~in coordination~~ with the consultation
13 of the Board of Trustees of the Alabama Community College
14 System or its designee, may adopt any rules necessary to
15 establish standards for participation and eligibility and to
16 implement and administer this article. The ~~division~~ Alabama
17 Office of Apprenticeship shall consult with the Department of
18 Revenue to coordinate implementation and administration of
19 this article.

20 "(b) The ~~division~~ Alabama Office of Apprenticeship
21 shall provide an annual report to the Chair of the House Ways
22 and Means Education Committee and the Chair of the Senate
23 Finance and Taxation Education Committee to account for the
24 effectiveness of the apprenticeship program under this
25 article.

26 "§40-18-424.

1 "The tax ~~credit~~ credits allowed under this article
2 shall be effective January 1, 2017, for the 2017 taxable year
3 and shall continue through the ~~2021~~ 2025 tax year, unless
4 extended by act of the Legislature."

5 Section 9. This act shall become effective on the
6 first day of the third month following its passage and
7 approval by the Governor, or its otherwise becoming law.