

1 HB437
2 167011-1
3 By Representatives Whorton (R), Ledbetter, Hanes, Whorton (I),
4 Greer, Williams (JD), Standridge, Sells, Ainsworth, Shedd,
5 Collins, Nordgren, Harbison, Daniels, Henry, Patterson, Wood
6 and McCutcheon
7 RFD: Ways and Means Education
8 First Read: 09-APR-15

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8 SYNOPSIS: Under existing law, an income tax credit is
9 not provided for an employer that employs an
10 apprentice.

11 This bill would provide an income tax credit
12 for an employer that employs an apprentice.

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14 A BILL
15 TO BE ENTITLED
16 AN ACT

17
18 Relating to tax credit; to provide definitions; and
19 to provide a tax credit for an employer that employs an
20 apprentice.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. This act may be cited as the Thompson
23 Apprenticeship Tax Credit Act of 2015.

24 Section 2. As used in this act, the following terms
25 shall have the following meanings:

26 (1) APPRENTICE. A worker at least 16 years of age,
27 except where a higher minimum age standard is otherwise fixed

1 by law, who is employed to learn an apprenticeable occupation
2 as provided in 29 C.F.R. Part 29.4.

3 (2) APPRENTICESHIP AGREEMENT. A written agreement,
4 complying with 29 C.F.R. Part 29.2 between an apprentice and
5 either the apprentice's program sponsor, or an apprenticeship
6 committee acting as agent for the program sponsors, which
7 contains the terms and conditions of the employment and
8 training of the apprentice.

9 (3) ELIGIBLE EMPLOYER. A taxpayer who employs an
10 apprentice pursuant to an apprentice agreement registered with
11 the Office of Apprenticeship of the Employment and Training
12 Administration of the United States Department of Labor.

13 Section 3. (a) An Alabama income tax credit is
14 hereby established for eligible employers that employ an
15 apprentice for at least seven full months of the taxable year.
16 The credit shall equal one thousand dollars (\$1,000) for each
17 apprentice employed. The credit shall not be available for an
18 individual apprentice for more than four taxable years.

19 (b) The credit shall be allowed against the tax
20 imposed by Chapter 18 of Title 40 of the Code of Alabama 1975.
21 This tax credit shall not be allowed to decrease a taxpayer's
22 tax liability to less than zero. The credit is not refundable
23 or transferable. The credit shall be available, on a pro rata
24 basis, to the owners of qualified employers that are entities
25 taxed under subchapters S or K of the Internal Revenue Code.
26 An employer applying for a tax credit must apply each year to
27 receive the credit for the preceding calendar year.

1 (c) If an employer employs an apprentice for less
2 than the full preceding calendar year, the employer may apply
3 for the credit on a pro rata monthly basis beginning on the
4 first day of the first full month of apprenticeship.

5 Section 4. (a) The Alabama Industrial Development
6 Training (AIDT) agency shall be given authority to promulgate
7 any rules and regulations necessary to establish standards for
8 participation and eligibility, and to implement and administer
9 this section. The department shall consult with the
10 Department of Revenue and the Department of Commerce to
11 coordinate their efforts.

12 (b) The Department of Revenue shall prescribe a form
13 to claim this credit that provides information to the
14 department sufficient for the proper administration of this
15 credit.

16 Section 5. The income tax credit pursuant to this
17 act shall be effective January 1, 2016, for the 2016 taxable
18 year and subsequent taxable years thereafter.

19 Section 6. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.