

2021 Regular Session

SENATE BILL NO. 243

BY SENATORS CARTER AND JOHNS

TAX/TAXATION. Creates an apprenticeship tax credit program. (gov sig)

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AN ACT

To enact R.S. 47:6033, relative to tax credits; to authorize apprenticeship tax credits against income and corporation franchise tax to certain employers; to provide for definitions; to provide for eligibility; to require the Board of Regents to establish an advisory council; to provide for membership of the council; to provide for duties of the council; to provide for the administration of the tax credit; to provide for the recovery of tax credits; to authorize the Department of Revenue to adopt rules; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6033 is hereby enacted to read as follows:

**§6033. Apprenticeship tax credits**

**A. Purpose. The legislature hereby determines that a major impediment to the economy of the state is the lack of an adequate number of people in the workforce with sufficient on the job training to find and keep good paying jobs already present and those that would be here if more of the workforce was of higher skill level or experience. Further, the legislature finds that a tax credit that provides an incentive for businesses to employ apprentices will provide a**

1 step toward creating and maintaining such a workforce.

2 B. Definitions.

3 (1) "BESE" means the Louisiana Board of Elementary and Secondary  
4 Education.

5 (2) "Department" means the Louisiana Department of Revenue.

6 (3) "Eligible apprentice" means a person who either:

7 (a) Has entered into a written apprentice agreement with an employer  
8 or an association of employers pursuant to a registered apprenticeship program  
9 as provided for in Chapter 4 of Title 23 of the Louisiana Revised Statutes of  
10 1950 (R.S. 23:381 et seq.).

11 (b) Is enrolled in a training program accredited by the National Center  
12 for Construction Education and Research which has no less than four levels of  
13 training and no less than five hundred hours of instruction.

14 (c) Is enrolled in a BESE approved Fast Forward High-Demand  
15 Apprenticeship Pathway Program.

16 (d) Is enrolled in a postsecondary apprenticeship program administered  
17 through LCTCS for high-demand industries and fields as provided for in  
18 Subsection D of this Section.

19 (4) "LCTCS" means the Louisiana Community and Technical College  
20 System.

21 (5) "Regents" means the Board of Regents.

22 C. Administration of the credit. For taxable periods beginning after  
23 December 31, 2021, there shall be allowed a nonrefundable tax credit against  
24 Louisiana income tax or corporation franchise tax for the employment of  
25 eligible apprentices as provided for in this Section.

26 (1) For each eligible apprentice employed for a minimum of two hundred  
27 fifty hours during the taxable period, an employer shall be eligible for a credit  
28 equal to one dollar and twenty-five cents per hour of employment for a  
29 maximum credit of one thousand two hundred fifty dollars per eligible

1        apprentice.

2                (2) The total amount of tax credits granted by the department in any  
3        calendar year shall not exceed twelve million five hundred thousand dollars.  
4        The department shall establish by rule the method of allocating available tax  
5        credits to employers including but not limited to a first-come, first-served  
6        system, reservation of tax credits for a specific time, or other method that the  
7        department, in its discretion, may find beneficial to the program. If the  
8        department does not grant the entire twelve million five hundred thousand  
9        dollars in tax credits in any calendar year, the amount of residual unused tax  
10       credits shall carry forward to subsequent calendar years and may be granted  
11       in any year without regard to the twelve million five hundred thousand dollar  
12       per year limitation.

13               (3) The department, in consultation with the Louisiana Workforce  
14       Commission, BESE, LCTCS, and Regents, shall establish by rule procedures  
15       sufficient to determine an employer's eligibility for the credit.

16               (4) The Louisiana Workforce Commission, BESE, and LCTCS shall  
17       provide an annual list of businesses that participate in the apprenticeship  
18       programs administered by each respective agency to the department.

19               (5) The department shall determine the enrollment and transcript data  
20       required from the National Center for Construction Education and Research  
21       for students enrolled in one of its accredited training programs that is sufficient  
22       for the department to determine the employer's eligibility for the credit  
23       authorized by this Section. However, in order for an employer to be eligible for  
24       a credit, a student enrolled in a training program accredited by the National  
25       Center for Construction Education and Research shall be required to have  
26       successfully completed no fewer than two levels of training and no fewer than  
27       two hundred fifty hours of instruction.

28               (6) The employers eligible to earn credits pursuant to the BESE Fast  
29       Forward Apprenticeship Pathways may be based upon regional, school district,

1 or industry specific needs.

2 D. Postsecondary apprenticeship program. The Board of Regents shall  
3 establish an advisory council to identify apprenticeship programs for high  
4 demand industries and fields to be administered through the LCTCS. The  
5 identified apprenticeship programs shall be known as "postsecondary  
6 apprenticeship programs".

7 (1) The advisory council shall be comprised of the following members or  
8 their designees:

9 (a) The president of the Louisiana Community and Technical College  
10 System.

11 (b) The commissioner of higher education.

12 (c) The state superintendent of education.

13 (d) The secretary of the Louisiana Department of Economic  
14 Development.

15 (e) The executive director of the Louisiana Workforce Commission.

16 (f) The chairman of the Louisiana Workforce Investment Council.

17 (g) The secretary of the Louisiana Department of Revenue.

18 (2) By September 30, 2021, and at least once every three years thereafter,  
19 the advisory council shall review the workforce priorities of the state and each  
20 of its workforce regions and designate postsecondary apprenticeship programs  
21 to be administered by the LCTCS.

22 (3) The process for selecting postsecondary apprenticeship programs by  
23 the advisory council shall include all of the following:

24 (a) The identification of not more than five industry sectors that are  
25 predominated by high-demand, high-wage jobs that are aligned to workforce  
26 priorities of the state and each of its workforce regions and identify  
27 high-demand, high-wage jobs in each of the sectors.

28 (b) A review of the postsecondary education requirements of each job  
29 identified pursuant to this Subparagraph.

1           (c) A review of the public postsecondary education programs, at the  
2           associate degree level or below, that offer credentials and degrees that are  
3           aligned to the identified jobs in each industry sector.

4           (4) Identification of industry sectors, high-demand, high-wage jobs, and  
5           the designation of postsecondary apprenticeship programs shall, at a minimum,  
6           be based upon all of the following:

7           (a) A review of the most current statewide and regional industry and  
8           occupational forecasts as approved by the Occupational Forecasting Conference  
9           and the Louisiana Workforce Investment Council.

10          (b) A review of nationally recognized databases for industry and  
11          occupational projections.

12          (c) Input from the regional economic development organization in each  
13          region.

14           E. Application of the credit.

15          (1)(a) The credit shall be allowed against the income or corporation  
16          franchise tax due from a taxpayer for the taxable period in which the credit is  
17          earned. If the tax credit allowed pursuant to this Section exceeds the amount of  
18          the taxes due from a taxpayer, then the taxpayer may carry any unused credit  
19          forward to be applied against subsequent tax liability for a period not to exceed  
20          five years. In no event shall the amount of this tax credit applied by a taxpayer  
21          in a taxable period exceed the amount of applicable taxes due from the taxpayer  
22          for that taxable period.

23          (b) All entities taxed as corporations for Louisiana income tax purposes  
24          shall claim any credit on their corporation income and franchise tax returns.

25          (c) Individuals, estates, and trusts shall claim any credit on their income  
26          tax return.

27          (d) Entities not taxed as corporations shall claim their share of any credit  
28          on the returns of the partners or members as follows:

29           (i) Corporate partners or members shall claim their share of any credit

1 on their corporation income and franchise tax returns.

2 (ii) Individual partners or members shall claim their share of any credit  
3 on their individual income tax returns.

4 (iii) Partners or members that are estates or trusts shall claim their share  
5 of any credit on their fiduciary income tax returns.

6 F. Recovery of credits by Department of Revenue.

7 (1) Credits previously granted to a taxpayer, but later disallowed, may  
8 be recovered by the secretary of the Department of Revenue through any  
9 collection remedy authorized by R.S. 47:1561 and initiated within three years  
10 from December thirty-first of the year in which the credits were earned.

11 (2) The only interest that may be assessed and collected on recovered  
12 credits is interest at a rate of three percentage points above the rate provided  
13 in R.S. 9:3500(B)(1), which shall be computed from the original due date of the  
14 return on which the credit was taken.

15 (3) The provisions of this Subsection are in addition to and shall not limit  
16 the authority of the secretary of the Department of Revenue to assess or to  
17 collect under any other provision of law.

18 G. The department may promulgate rules in accordance with the  
19 Administrative Procedure Act to establish the policies and criteria regarding  
20 program eligibility and any other matter necessary to carry out the intent and  
21 purposes of this Section.

22 H. No credit shall be granted under this Section after June 30, 2028.

23 Section 2. The provisions of this Act shall be applicable to the employment of  
24 eligible apprentices on and after January 1, 2022.

25 Section 3. This Act shall become effective upon signature by the governor or, if not  
26 signed by the governor, upon expiration of the time for bills to become law without signature  
27 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
28 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
29 effective on the day following such approval.



- (1) The president of the Louisiana Community and Technical College System.
- (2) The commissioner of higher education.
- (3) The state superintendent of education.
- (4) The secretary of the Louisiana Dept. of Economic Development.
- (5) The executive director of the La. Workforce Commission.
- (6) The chairman of the La. Workforce Investment Council.
- (7) The secretary of the Dept. of Revenue.

Proposed law requires the advisory council to review the workforce priorities of the state and each of its workforce regions and designate postsecondary apprenticeship programs to be administered by the LCTCS by Sept. 30, 2021, and at least once every three years thereafter.

Proposed law requires the selection process for postsecondary apprenticeship programs by the advisory council to include:

- (1) The identification of not more than five industry sectors that are predominated by high-demand, high-wage jobs that are aligned to workforce priorities of the state and each of its workforce regions and identify high-demand, high-wage jobs in each of the sectors.
- (2) A review of the postsecondary education requirements of each job identified.
- (3) A review of the public postsecondary education programs, at the associate degree level or below, that offer credentials and degrees that are aligned to the identified jobs in each industry sector.
- (4) Identification of industry sectors, high-demand, high-wage jobs, and the designation of postsecondary apprenticeship programs shall, at a minimum, be based upon all of the following:
  - (a) A review of the most current statewide and regional industry and occupational forecasts as approved by the Occupational Forecasting Conference and the La. Workforce Investment Council.
  - (b) A review of nationally recognized databases for industry and occupational projections.
  - (c) Input from the regional economic development organization in each region.

Proposed law provides that the credit shall be allowed against the income or franchise tax due from a taxpayer for the taxable period in which the credit is earned.

Proposed law authorizes the secretary to recapture any credits that were granted but were later disallowed.

Proposed law applies to the employment of eligible apprentices on and after January 1, 2022.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:6033)