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Legislative Document

No. 241

S.P. 102

In Senate, January 29, 2021

An Act To Support the Trades through a Tax Credit for Apprenticeship Programs

Received by the Secretary of the Senate on January 27, 2021. Referred to the Committee on Taxation pursuant to Joint Rule 308.2 and ordered printed.

A handwritten signature in black ink, appearing to read 'D M Grant'.

DAREK M. GRANT
Secretary of the Senate

Presented by Senator CURRY of Waldo.
Cosponsored by Speaker FECTION of Biddeford and
Senators: CHIPMAN of Cumberland, LUCHINI of Hancock, POULIOT of Kennebec,
SANBORN of Cumberland, Representative: WHITE of Waterville.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5219-TT** is enacted to read:

3 **§5219-TT. Apprenticeship credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Apprenticeship program" means an apprenticeship program registered by the
7 Maine Apprenticeship Program pursuant to Title 26, chapter 37.

8 B. "Employing unit" has the same meaning as in Title 26, section 1043, subsection 10.

9 C. "Participating apprentice" means an apprentice, registered pursuant to Title 26,
10 section 3202, participating in an apprenticeship program.

11 **2. Credit allowed.** For tax years beginning in 2022 or after, a taxpayer constituting
12 an employing unit that employs a participating apprentice in the taxable year is allowed a
13 credit against taxes imposed under this Part for each participating apprentice employed by
14 the taxpayer during the taxable year.

15 **3. Amount of credit.** For an employing unit employing a participating apprentice for
16 at least 2,000 hours during the taxable year, the credit under this section is \$2,500. For an
17 employing unit employing a participating apprentice for fewer than 2,000 hours during the
18 taxable year, the credit is \$2,500 multiplied by a fraction, the numerator of which is the
19 number of hours that the participating apprentice worked for the employing unit during the
20 taxable year and the denominator of which is 2,000.

21 **4. Participation statement and apprenticeship program certificates.** An
22 employing unit claiming a credit under this section for one or more participating
23 apprentices shall submit with the employing unit's Maine income tax return for the taxable
24 year a statement indicating the number of hours worked by each participating apprentice
25 during the taxable year for which a credit is claimed under this section. The statement must
26 include employing unit and participating apprentice information and any other information
27 the assessor considers necessary to determine eligibility for the credit under this section. A
28 pass-through entity, such as a partnership, limited liability company, S corporation or
29 similar pass-through entity, shall submit the statement required by this subsection directly
30 to the bureau. The Department of Labor shall provide the bureau with copies of
31 apprenticeship program sponsor approval certificates and any pertinent information that
32 will assist the assessor in determining eligibility for the credit under this section.

33 **SUMMARY**

34 This bill permits an employer that employs an apprentice participating in an approved
35 apprenticeship program to receive an income tax credit of \$2,500 and provides for a partial
36 credit if the employer employs a participating apprentice for fewer than 2,000 hours during
37 the taxable year.