

1 SB109
2 164683-2
3 By Senator Orr
4 RFD: Finance and Taxation Education
5 First Read: 03-MAR-15

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4 ENGROSSED

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7 A BILL
8 TO BE ENTITLED
9 AN ACT

10
11 Relating to tax credit; to provide definitions; and
12 to provide a tax credit for an employer that employs an
13 apprentice.

14 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

15 Section 1. This act may be cited as the
16 "Apprenticeship Tax Credit Act of 2015."

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

19 (1) APPRENTICE. A worker at least 16 years of age,
20 except where a higher minimum age standard is otherwise fixed
21 by law, who is employed to learn an apprenticeable occupation
22 as provided in 29 C.F.R. Part 29.4.

23 (2) APPRENTICESHIP AGREEMENT. A written agreement,
24 complying with 29 C.F.R. Part 29.2 between an apprentice and
25 either the apprentice's program sponsor, or an apprenticeship
26 committee acting as agent for the program sponsors, which

1 contains the terms and conditions of the employment and
2 training of the apprentice.

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

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

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

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

26 Section 4. (a) The Alabama Industrial Development
27 Training (AIDT) agency, in coordination with the Chancellor of

1 the Alabama Community College System or his/her designee,
2 shall be given authority to promulgate any rules and
3 regulations necessary to establish standards for participation
4 and eligibility, and to implement and administer this section.
5 The department shall consult with the Department of Revenue
6 and the Department of Commerce to coordinate their efforts.

7 (b) The Department of Revenue shall prescribe a form
8 to claim this credit that provides information to the
9 department sufficient for the proper administration of this
10 credit.

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

14 Section 6. This act shall become effective
15 immediately following its passage and approval by the
16 Governor, or its otherwise becoming law.

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Senate

Read for the first time and referred to the Senate
committee on Finance and Taxation Education 03-MAR-15

Read for the second time and placed on the calen-
dar..... 02-APR-15

Read for the third time and passed as amended 30-APR-15

Yeas 29
Nays 0

Patrick Harris
Secretary