

HOUSE BILL NO. 277

INTRODUCED BY C. CLARK

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN INCOME TAX CREDIT PROGRAM FOR EMPLOYERS OF REGISTERED APPRENTICES; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Employer tax credit available. (1) A taxpayer that employs an apprentice who works in Montana pursuant to a state registered apprenticeship training program is eligible for an annual credit against income taxes imposed pursuant to Title 15, chapter 30, or Title 15, chapter 31, in an amount up to \$1,000 for each apprentice employed.

(2) A tax credit is not available until after the apprentice in the employ of the taxpayer has completed the apprentice's program probationary period or 6 months, whichever is earlier. An employer applying for a tax credit must apply each year to receive the credit for the preceding calendar year. A credit may not be allowed to the employer for more than ~~4~~ 5 tax years for each individual apprentice.

(3) For fiscal year filers, the credit available to claim in the current fiscal year is the credit allowed for the calendar year that ends within the taxpayer's fiscal period.

(4) Subject to meeting the probationary period in subsection (2), if an employer employs an apprentice for less than the full preceding calendar year, the employer may apply for the credit on a pro rata monthly basis beginning on the first day of the first full month of apprenticeship.

(5) The department shall, after consultation with the department of revenue, prescribe a form for a taxpayer to claim the tax credit provided by this section. The form must provide the department of revenue with sufficient information for the proper administration of the credit as provided in [section 2] and [section 3]. The department shall provide the department of revenue an annual report detailing the tax credit provided to employers for the previous year.

NEW SECTION. Section 2. Tax credit for hiring registered apprentices. (1) There is a tax credit against the taxes otherwise due under this chapter that is allowable in the amount established pursuant to [section 1] when a taxpayer employs a registered apprentice who works in Montana.

