

HOUSE BILL 1391

By Jernigan

AN ACT to amend Tennessee Code Annotated, Title 4;
Title 49; Title 62 and Title 67, relative to
apprenticeship and work-study programs.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, Chapter 3, Part 7, is amended by adding the following language as a new section:

(a) There is established within the department of economic and community development the office of apprenticeship and work-study programs.

(b)

(1) There is a director of the office, who shall be appointed by the executive director of the Tennessee higher education commission (THEC) and who shall serve at the pleasure of the executive director.

(2) The staff of the office shall be appointed by the director, subject to the joint approval of the executive director of THEC and the commissioner.

(c) The office has the following functions and duties:

(1) Promote federally certified apprenticeship and work-study programs to assist industries that have needs for such programs, either through traditional apprenticeship programs administered by the department, work-study programs administered by the department of education;

(2) Establish industry consortiums in which the apprenticeship and work-study programs are organized by industry, and where companies can participate to best meet their individual needs;

(3) Maintain complete and consistent program data on the:

(A) Number of persons placed in apprenticeship and work-study programs established under subdivision (c)(1);

(B) Amount of tax credits authorized under § 67-4-2009(9), such information to be provided to the office by the department of revenue in accordance with the department's applicable laws regarding confidentiality; and

(C) Number of job placements that result from student participation in apprenticeship and work-study programs established pursuant to this section;

(4) Employ such personnel as may be necessary to implement and administer this section, with expenses to be paid from funding received pursuant to subsection (d); and

(5) Perform such other functions and duties as may be necessary for the administration of apprenticeship and work-study programs under this section.

(d)

(1) The activities and expenses of the office may be jointly funded by the participating industries through a fee in an amount determined through rule by the department. The office shall collect fees pursuant to this subsection (d) in an amount sufficient to pay the cost of operating the office.

(2) The office may seek any available grants and other sources of funding to implement and administer this section.

(e) The office shall work in conjunction with the division of regulatory boards of the department of commerce and insurance to accomplish the functions and duties set out in subsection (c).

(f) The office shall be audited in conjunction with the audit of the department by the comptroller of the treasury for purposes of title 4, chapter 29.

(g) As used in this section:

(1) "Commissioner" means the commissioner of economic and community development;

(2) "Department" means the department of economic and community development; and

(3) "Office" means the office of apprenticeship and work-study programs.

(h) The department shall promulgate rules to implement this section in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. Tennessee Code Annotated, Title 62, Chapter 76, is amended by deleting Part 2 and substituting instead the following:

62-76-201.

(a) The boards and commissions created in this title, in consultation with the division of regulatory boards, shall develop and maintain an apprentice program for use by such boards and commissions.

(b) The program developed pursuant to subsection (a) shall include, but not be limited to, the subjects of:

(1) Apprenticeship training;

(2) Supervisory standards;

(3) Occupational instruction;

(4) Wages and benefits;

(5) Licensure; and

(6) The role of the division of regulatory boards in implementing and maintaining the program.

(c) Each of the boards and commissions shall submit a report on the status of the apprentice program to the speaker of the senate, the speaker of the house of

representatives, the government operations committees of the senate and house of representatives, the commissioner of commerce and insurance, the commissioner of health, and the commissioner of labor and workforce development on or before December 31 of each year. The report shall include the following:

(1)

(A) The reason the apprentice program was created; and

(B) The reason the apprentice program is no longer in effect, if applicable;

(2) Historical data on the apprentice program since its creation, including:

(A) The number of persons participating in the program each year; and

(B) Program outcomes, including the percentage of program participants who have continued in their chosen fields;

(3) A description of the apprentice program and its objectives; and

(4)

(A) The number of persons licensed in each profession regulated by such boards and commissions for the existing calendar year; and

(B) The number of persons employed in each profession regulated by such boards and commissions for the existing calendar year.

SECTION 3. Tennessee Code Annotated, Section 67-4-2009, is amended by adding the following language as a new subdivision:

(9)

(A) Subject to appropriations and the limitation in subdivision (9)(C), there shall be allowed against the sum total of the taxes imposed by the Franchise Tax Law of 1999, compiled in part 21 of this chapter, and by this part,

a credit equal to four percent (4%) of the cost of participating in an apprenticeship and work-study program established by the office of apprenticeship and work-study created pursuant to Section 1 of this act;

(B) The credit taken on any franchise and excise tax return, however, must not exceed fifty percent (50%) of the combined franchise and excise tax liability shown by the return before the credit is taken. Any unused credit may be carried forward in any tax period until the credit is taken. However, the credit shall not be carried forward for more than fifteen (15) taxable years;

(C)

(i) The total amount of credit provided to all taxpayers under this subdivision (9) must not exceed one million dollars (\$1,000,000) for any calendar year;

(ii) If the total amount of credit claimed by all taxpayers for any calendar year exceeds the limitation in this subdivision (9)(C), the credit to be received by each taxpayer must be the product of one million dollars (\$1,000,000) multiplied by the quotient of the credit claimed by the taxpayer divided by the total of all credits claimed by all taxpayers;

(iii) For purposes of applying the limitation in this subdivision (9)(C), a taxpayer must submit an application for the credit allowed under this subdivision (9), in the form prescribed by the department, by October 15 following the calendar year in which an apprenticeship or work-study program was offered. No credit must be allowed under this subdivision (9) to any taxpayer that fails to submit the application by October 15;

(iv) By December 15 following the October 15 deadline set forth in subdivision (9)(C)(iii), the department shall notify the taxpayer of the amount of the credit allowed; and

(v) At any time during the applicable limitations period set out in § 67-1-1501(b), the department is authorized to conduct audits or require the filing of additional information necessary to substantiate or adjust the amount of the credit taken by a taxpayer;

SECTION 4. Section 3 of this act shall take effect January 1, 2018, the public welfare requiring it. All other provisions of this act shall take effect upon becoming a law, the public welfare requiring it.