

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1146 Session of 2011

INTRODUCED BY WATERS, JOSEPHS AND WAGNER, MARCH 21, 2011

REFERRED TO COMMITTEE ON FINANCE, MARCH 21, 2011

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," providing for apprenticeship training tax credit.

11 The General Assembly of the Commonwealth of Pennsylvania
12 hereby enacts as follows:

13 Section 1. The act of March 4, 1971 (P.L.6, No.2), known as
14 the Tax Reform Code of 1971, is amended by adding an article to
15 read:

16 ARTICLE XVII-G

17 APPRENTICESHIP TRAINING

18 TAX CREDIT

19 Section 1701-G. Definitions.

20 The following words and phrases when used in this article
21 shall have the meanings given to them in this section unless the
22 context clearly indicates otherwise:

1 "Apprentice." An individual 16 years of age or older who is
2 sponsored by an employer and who is enrolled in a qualified
3 apprenticeship training program and receiving occupational
4 training that results in certification.

5 "Credit." The apprenticeship training tax credit.

6 "Qualified apprenticeship training program." A program
7 registered with the Apprenticeship and Training Council within
8 the Department of Labor and Industry that is in compliance with
9 applicable Federal and State laws and regulations and which
10 requires at least 2,000 but not more than 10,000 hours of on-
11 the-job apprenticeship training.

12 "Secretary." The Secretary of Revenue of the Commonwealth.

13 "Taxpayer." An individual or business firm sponsoring and
14 employing an apprentice who is enrolled in a qualified
15 apprenticeship program in this Commonwealth and which is
16 authorized to do business in this Commonwealth and is subject to
17 any of the taxes imposed by Article III, IV, VI, VII, VIII, IX
18 or XV.

19 Section 1702-G. Authorization of credit.

20 For the tax years beginning on or after January 1, 2012, an
21 employer or business firm which employs an apprentice in a
22 qualified apprenticeship training program shall be eligible to
23 claim a credit under this article.

24 Section 1703-G. Amount of credit allowed.

25 (a) Calculation.--The credit shall be in an amount equal to
26 \$1 per hour multiplied by the total number of hours worked by an
27 apprentice during the length of his or her apprenticeship during
28 each income year. The amount of credit allowed for any income
29 year with respect to each apprentice may not exceed \$1,000 or
30 50% actual wages paid in the income year for the apprenticeship,

1 whichever is less.

2 (b) Claim.--The credit provided under subsection (a) shall
3 not be claimed until the apprentice satisfactorily graduates
4 from the qualified apprenticeship training program.

5 Section 1704-G. Taxes against which credit may be taken.

6 The credit provided for under this article may be applied
7 against any tax due under Article III, IV, VI, VII, VIII, IX or
8 XV.

9 Section 1705-G. Carryover, carryback, refund and assignment of
10 credit.

11 (a) Use.--If a taxpayer cannot use the entire amount of the
12 credit for the taxable year in which the credit is first
13 claimed, the excess may be carried over to succeeding taxable
14 years and used as a credit against the qualified tax liability
15 of the taxpayer for those taxable years. Each time that the
16 credit is carried over to a succeeding year, it shall be reduced
17 by the amount that was used as a credit during the immediately
18 preceding taxable year.

19 (b) Application.--The credit shall first be applied against
20 the taxpayer's qualified tax liability for the taxable year on
21 which the credit was approved before the credit is applied
22 against any succeeding tax liability under subsection (a).

23 (c) Entitlement.--A taxpayer is not entitled to carry back
24 or obtain a refund of an unused apprenticeship training tax
25 credit.

26 Section 1706-G. Powers and duties.

27 In addition to those powers created by any other statute, the
28 secretary shall have the power and duty to do all of the
29 following:

30 (1) Promulgate and publish any rules and regulations

1 which may be required to implement this article.

2 (2) Publish as a notice in the Pennsylvania Bulletin
3 forms upon which taxpayers may apply for the apprenticeship
4 training tax credit authorized by this article.

5 Section 1707-G. Applicability.

6 This article shall apply to taxable years beginning after
7 December 31, 2012.

8 Section 2. This act shall take effect in 60 days.