

1 **ENROLLED**

2 COMMITTEE SUBSTITUTE

3 FOR

4 **Senate Bill No. 153**

5 (SENATORS KLEMPA, BEACH AND KESSLER (MR. PRESIDENT), *original sponsors*)

6 _____
7 [Passed March 10, 2012; in effect ninety days from passage.]
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11 AN ACT to amend and reenact §11-13W-1 of the Code of West Virginia,
12 1931, as amended, relating to increasing the tax credits for
13 apprenticeship training in construction trades.

14 *Be it enacted by the Legislature of West Virginia:*

15 That §11-13W-1 of the Code of West Virginia, 1931, as amended,
16 be amended and reenacted to read as follows:

17 **ARTICLE 13W. APPRENTICESHIP TRAINING TAX CREDITS.**

18 **§11-13W-1. Tax credits for apprenticeship training in**
19 **construction trades.**

20 (a) *Credit allowed.* - For those tax years beginning on or
21 after January 1, 2008, there shall be allowed a credit for any
22 taxpayer against certain taxes imposed by this state as described
23 in subsection (d) of this section for wages paid to apprentices in
24 the construction trades who are registered with the United States

1 Department of Labor, Office of Apprenticeship, West Virginia State
2 Office, by the taxpayer in the tax year that an apprentice and
3 taxpayer participate in a qualified apprenticeship training
4 program, as described in this section, which is: (1) Jointly
5 administered by labor and management trustees; (2) administered
6 pursuant to 29 U. S. C. Section 50; and (3) certified in accordance
7 with regulations adopted by the United States Bureau of
8 Apprenticeship and Training or the successor agency of that bureau.

9 (b) *Amount of credit.* - The tax credit shall be in an amount
10 equal to \$1 per hour multiplied by the total number of hours worked
11 during the tax year by an apprentice working for the taxpayer
12 participating in the qualified apprenticeship training program,
13 provided the amount of credit allowed for any tax year with respect
14 to each such apprentice may not exceed \$1000 or fifty percent of the
15 actual wages paid in the tax year for the apprenticeship, whichever
16 is less: *Provided,* That for tax years beginning on and after
17 January 1, 2012, the tax credit shall be in an amount equal to \$2
18 per hour multiplied by the total number of hours worked during the
19 tax year by an apprentice working for the participating taxpayer,
20 and the amount of credit allowed for any tax year with respect to
21 each apprentice may not exceed \$2,000, or fifty percent of actual
22 wages paid in that tax year for the apprenticeship, whichever is
23 less.

24 (c) *Qualified apprenticeship training program requirements.*

1 -- In addition to the qualifications specified in subsection (a) of
2 this section, a qualified apprenticeship training program shall
3 consist of at least two thousand but not more than ten thousand
4 hours of on the job apprenticeship training for certification of
5 the apprenticeship by the United States Bureau of Apprenticeship
6 and Training or the successor agency of the bureau.

7 (d) *Application of annual credit allowance.* - The amount of
8 credit as determined under subsection (b) of this section is
9 allowed as a credit against the taxpayer's state tax liability
10 applied as provided in subdivisions (1) through (3), inclusive, of
11 this subsection, and in that order.

12 (1) *Business franchise tax.* -- The credit must first be
13 applied to reduce the taxes imposed by article twenty-three of this
14 chapter for the taxable year.

15 (2) *Corporation net income taxes.* - After application of
16 subdivision (1) of this subsection, any unused credit is next
17 applied to reduce the taxes imposed by article twenty-four of this
18 chapter for the taxable year.

19 (3) *Personal income taxes.* --

20 (A) If the person making the qualified investment is an
21 electing small business corporation (as defined in Section 1361 of
22 the United States Internal Revenue Code of 1986, as amended), a
23 partnership, a limited liability company that is treated as a
24 partnership for federal income tax purposes, or a sole

1 proprietorship, then any unused credit (after application of
2 subdivisions (1) and (2) of this subsection) is allowed as a credit
3 against the taxes imposed by article twenty-one of this chapter on
4 the income from business or other activity subject to tax under
5 article twenty-three of this chapter or on income of a sole
6 proprietor attributable to the business.

7 (B) Electing small business corporations, limited liability
8 companies, partnerships and other unincorporated organizations
9 shall allocate the credit allowed by this article among its members
10 in the same manner as profits and losses are allocated for the
11 taxable year.

12 (4) A credit is not allowed under this section against any
13 employer withholding taxes imposed by article twenty-one of this
14 chapter.

15 (e) *Unused credit.* -- If any credit remains after application
16 of subsection (d) of this section, that amount is forfeited. A
17 carryback to a prior taxable year is not allowed for the amount of
18 any unused portion of any annual credit allowance.