

1 **H. B. 4525**

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3 (By Delegates D. Poling, Hamilton, Caputo, M. Poling,
4 Canterbury, Boggs, Storch and Morgan)

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6 [Introduced February 14, 2012; referred to the

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Committee on Energy, Industry and Labor, Economic

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Development and Small Business then Finance.]

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10 A BILL to amend and reenact §11-13W-1 of the Code of West Virginia,

11 1931, as amended, relating to increasing the tax credits for

12 apprenticeship training in construction trades.

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

14 That §11-13W-1 of the Code of West Virginia, 1931, as amended,

15 be amended and reenacted to read as follows:

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

17 **§11-13W-1. Tax credits for apprenticeship training in**

18

construction trades.

19 (a) *Credit allowed.* - For those tax years beginning on or

20 after January 1, 2008, there shall be allowed a credit for any

21 taxpayer against certain taxes imposed by this state as described

22 in subsection (d) of this section for wages paid to apprentices in

23 the construction trades who are registered with the United States

24 Department of Labor, Office of Apprenticeship, West Virginia State

25 Office, by such taxpayer in the tax year that an apprentice and

1 taxpayer participate in a qualified apprenticeship training
2 program, as described in this section, which: (1) Is jointly
3 administered by labor and management trustees; (2) is administered
4 pursuant to 29 U.S.C. Section 50; and (3) is certified in
5 accordance with regulations adopted by the United States Bureau of
6 Apprenticeship and Training or the successor agency of that bureau.

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

22 (c) *Qualified apprenticeship training program requirements.*
23 -- In addition to the qualifications specified in subsection (a) of
24 this section, a qualified apprenticeship training program shall

1 also be required to consist of at least two thousand but not more
2 than ten thousand hours of on the job apprenticeship training for
3 certification of such apprenticeship by the United States Bureau of
4 Apprenticeship and Training or the successor agency of the bureau.

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

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

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

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

18 (A) If the person making the qualified investment is an
19 electing small business corporation (as defined in Section 1361 of
20 the United States Internal Revenue Code of 1986, as amended), a
21 partnership, a limited liability company that is treated as a
22 partnership for federal income tax purposes, or a sole
23 proprietorship, then any unused credit (after application of
24 subdivisions (1) and (2) of this subsection) is allowed as a credit

1 against the taxes imposed by article twenty-one of this chapter on
2 the income from business or other activity subject to tax under
3 article twenty-three of this chapter or on income of a sole
4 proprietor attributable to the business.

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

10 (4) ~~No~~ A credit is not allowed under this section against any
11 employer withholding taxes imposed by article twenty-one of this
12 chapter.

13 (e) *Unused credit.* -- If any credit remains after application
14 of subsection (d) of this section, the amount thereof is forfeited.
15 ~~No~~ A carryback to a prior taxable year is not allowed for the
16 amount of any unused portion of any annual credit allowance.

NOTE: The purpose of this bill is to increase the tax credit
for apprenticeship training in construction trades.

Strike-throughs indicate language that would be stricken from
the present law, and underscoring indicates new language that would
be added.