

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 153

(By Senators Klempa, Beach and Kessler (Mr. President))

[Originating in the Committee on Finance;
reported February 27, 2012.]

A BILL to amend and reenact §11-13W-1 of the Code of West Virginia, 1931, as amended, relating to increasing the tax credits for apprenticeship training in construction trades.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 13W. APPRENTICESHIP TRAINING TAX CREDITS.

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

- 1 (a) *Credit allowed.* - For those tax years beginning on or
2 after ~~the first day of January, two thousand eight~~ January 1,

3 2008, there shall be allowed a credit for any taxpayer against
4 certain taxes imposed by this state as described in subsection
5 (d) of this section for wages paid to apprentices in the
6 construction trades who are registered with the United
7 States Department of Labor, Office of Apprenticeship, West
8 Virginia State Office, by ~~such~~ the taxpayer in the tax year
9 that an apprentice and taxpayer participate in a qualified
10 apprenticeship training program, as described in this section,
11 which is: (1) ~~is~~ Jointly administered by labor and manage-
12 ment trustees; (2) ~~is~~ administered pursuant to 29 U. S. C.
13 Section 50; and (3) ~~is~~ certified in accordance with regulations
14 adopted by the United States Bureau of Apprenticeship and
15 Training or the successor agency of that bureau.

16 (b) *Amount of credit.* - The tax credit shall be in an
17 amount equal to \$1 per hour multiplied by the total number
18 of hours worked during the tax year by an apprentice
19 working for the taxpayer participating in the qualified
20 apprenticeship training program, provided the amount of
21 credit allowed for any tax year with respect to each such
22 apprentice may not exceed \$1000 or fifty percent of the
23 actual wages paid in ~~such~~ the tax year for ~~such~~ the appren-
24 ticeship, whichever is less: Provided, That for tax years

25 beginning on and after January 1, 2012, the tax credit shall
26 be in an amount equal to \$2 per hour multiplied by the total
27 number of hours worked during the tax year by an appren-
28 tice working for the participating taxpayer, and the amount
29 of credit allowed for any tax year with respect to each
30 apprentice may not exceed \$2,000, or fifty percent of actual
31 wages paid in that tax year for the apprenticeship, which-
32 ever is less.

33 (c) *Qualified apprenticeship training program require-*
34 *ments.* — In addition to the qualifications specified in
35 subsection (a) of this section, a qualified apprenticeship
36 training program shall ~~also be required to~~ consist of at least
37 two thousand but not more than ten thousand hours of on the
38 job apprenticeship training for certification of ~~such the~~ the
39 apprenticeship by the United States Bureau of Apprentice-
40 ship and Training or the successor agency of the bureau.

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

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

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

53 (3) *Personal income taxes.* —

54 (A) If the person making the qualified investment is an
55 electing small business corporation (as defined in Section
56 1361 of the United States Internal Revenue Code of 1986, as
57 amended), a partnership, a limited liability company that is
58 treated as a partnership for federal income tax purposes, or
59 a sole proprietorship, then any unused credit (after applica-
60 tion of subdivisions (1) and (2) of this subsection) is allowed
61 as a credit against the taxes imposed by article twenty-one
62 of this chapter on the income from business or other activity
63 subject to tax under article twenty-three of this chapter or
64 on income of a sole proprietor attributable to the business.

65 (B) Electing small business corporations, limited liability
66 companies, partnerships and other unincorporated organiza-
67 tions shall allocate the credit allowed by this article among

68 its members in the same manner as profits and losses are
69 allocated for the taxable year.

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

73 (e) *Unused credit.* — If any credit remains after applica-
74 tion of subsection (d) of this section, ~~the~~ that amount ~~thereof~~
75 is forfeited. ~~No~~ A carryback to a prior taxable year is not
76 allowed for the amount of any unused portion of any annual
77 credit allowance.