

# **WEST VIRGINIA LEGISLATURE**

**2022 REGULAR SESSION**

**Committee Substitute**

**for**

**Senate Bill 501**

BY SENATORS SWOPE AND SYPOLT

[Originating in the Committee on Workforce; reported  
on February 7, 2022]

1 A BILL to amend and reenact §11-13W-1 of the Code of West Virginia, 1931, as amended, all  
2 relating to the tax credit for apprenticeship training; eliminating the requirement that the  
3 credit base be limited to wages paid to apprentices in the construction trades; specifying  
4 effective date; and making stylistic changes.

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

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

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

1 (a) *Credit allowed.* —

2 (1) For those tax years beginning on or after January 1, 2008, there is allowed a credit for  
3 any taxpayer against certain taxes imposed by this state as described in subsection (d) of this  
4 section for wages paid to apprentices in the construction trades who are registered with the United  
5 States Department of Labor, Office of Apprenticeship, West Virginia state office, by the taxpayer  
6 in the tax year that an apprentice and taxpayer participate in a qualified apprenticeship training  
7 program, as described in this section, which is:

8 ~~(1)~~ (A) Administered pursuant to 29 U.S.C. § 50;

9 ~~(2)~~ (B) Certified in accordance with regulations adopted by the United States Bureau of  
10 Apprenticeship and Training or the successor agency of that bureau; and

11 (C) Paid at least \$2.00 per hour above the state minimum wage.

12 (2) For taxable years beginning on and after January 1, 2023, there is allowed a credit for  
13 any taxpayer against certain taxes imposed by this state as described in subsection (d) of this  
14 section for wages paid to apprentices who are registered with the United States Department of  
15 Labor, Office of Apprenticeship, West Virginia state office, by the taxpayer in the tax year that an  
16 apprentice and taxpayer participate in a qualified apprenticeship training program, as described  
17 in this section, which fulfills the requirements of subdivision (a)(1) of this section, except that there  
18 shall be no requirement that any apprentice or taxpayer be limited to the construction trades.

19           (b) *Amount of credit.* – The tax credit equals \$2 per hour multiplied by the total number of  
20 hours worked during the tax year by an apprentice working for the participating taxpayer, and the  
21 amount of credit allowed for any tax year with respect to each apprentice may not exceed \$2,000,  
22 or 50 percent of actual wages paid in that tax year for the apprenticeship, whichever is less.

23           (c) *Qualified apprenticeship training program requirements.* — In addition to the  
24 qualifications specified in subsection (a) of this section, a qualified apprenticeship training  
25 program consists of at least 2,000 but not more than 10,000 hours of on-the-job apprenticeship  
26 training for certification of the apprenticeship by the United States Bureau of Apprenticeship and  
27 Training or the successor agency of the bureau.

28           (d) *Application of annual credit allowance.* — The amount of credit as determined under  
29 subsection (b) of this section is allowed as a credit against the taxpayer’s state tax liability applied  
30 as provided in subdivisions (1) through (2), inclusive, of this subsection, and in that order.

31           (1) *Corporation net income taxes.* — The credit must first be applied to reduce the taxes  
32 imposed by §11-24-1 *et seq.* of this code for the taxable year.

33           (2) *Personal income taxes.* — After application of subdivision (1) of this subsection, any  
34 unused credit is next applied as follows:

35           (A) If the person making the qualified investment is an electing small business corporation  
36 (as defined in Section 1361 of the United States Internal Revenue Code of 1986, as amended),  
37 a partnership, a limited liability company that is treated as a partnership for federal income tax  
38 purposes, or a sole proprietorship, then any unused credit (after application of subdivision (1) of  
39 this subsection) is allowed as a credit against the taxes imposed by §11-21-1 *et seq.* of this code  
40 on the income from business or other activity on income of a sole proprietor attributable to the  
41 business; and

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

45           (3) A credit is not allowed under this section against any employer withholding taxes  
46 imposed by §11-21-1 *et seq.* of this code.

47           (e) *Unused credit.* — If any credit remains after application of subsection (d) of this section,  
48 that amount is forfeited. A carryback to a prior taxable year is not allowed for ~~the amount of~~ any  
49 unused portion of any annual credit allowance.