

SENATE BILL NO. 332

BY SENATOR NEVERS

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AN ACT

To enact R.S. 47:6026, relative to tax credits; to authorize a procedure for granting apprenticeship tax credits against income and corporation franchise tax to certain employers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:6026 is hereby enacted to read as follows:

§6026. Apprenticeship tax credits

A. For all taxable periods beginning after December 31, 2007 and ending prior to January 1, 2011, the legislature hereby determines that a major impediment to the economy of the state is the lack of an adequate number of people in the workforce with sufficient on the job training to find and keep good paying jobs already present and those that would be here if more of the workforce was of higher quality. Further, the legislature finds that the availability of a tax credit which provides an incentive for businesses to employ apprentices will be a step toward providing such a workforce.

B.(1) Employers shall be allowed a non-refundable apprenticeship tax credit against any Louisiana individual or corporation income tax or corporation franchise tax each tax year equal to one dollar for each hour of employment of each eligible apprentice, not to exceed one thousand hours for each eligible apprentice, all as provided for in this Section.

(2) An eligible apprentice means a person who has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program as provided for in Chapter 4 of Title 23 of the Louisiana Revised Statutes of 1950 (R.S. 23:381 et seq.) or a person who is enrolled in a training program accredited by the National Center

1 for Construction Education and Research which has no less than four levels of
2 training and no less than five hundred hours of instruction.

3 (3) The Louisiana Department of Labor and Department of Revenue
4 shall establish by rule the procedures sufficient to determine the employer's
5 eligibility and the amount of the tax credit.

6 (4) The Louisiana Department of Labor shall provide to the Louisiana
7 Department of Revenue an annual list of businesses which participate in the
8 registered apprenticeship program as well as the number of eligible employees
9 that each employer has employed for the taxable year.

10 (5) The Department of Revenue shall determine, through rules, the
11 enrollment and transcript data required from the National Center for
12 Construction Education and Research for students enrolled in one of its
13 accredited training programs which is sufficient for the department to
14 determine the employer's eligibility for, and the amount of the credit,
15 authorized by the provisions of this Section. However, in order to be eligible for
16 a credit, a student enrolled in a training program accredited by the National
17 Center for Construction Education and Research must have successfully
18 completed no less than two levels of training and no less than two hundred fifty
19 hours of instruction.

20 C. The credits provided for in this Section shall be allowed against
21 income tax or corporate franchise tax for the taxable period in which the credit
22 is earned. If the tax credit exceeds the amount of such taxes due, then any
23 unused credit may be carried forward as a credit against subsequent tax
24 liability for a period not to exceed ten years.

25 D. Notwithstanding anything to the contrary in either Chapter 1 or
26 Chapter 5 of Subtitle II of this Title 47, as amended, the following rules shall
27 apply with respect to the application of the credit established in Subsection B
28 of this Section:

29 (1) The credit for taxes paid by or on behalf of a corporation shall be
30 applied against Louisiana corporate income and corporation franchise taxes of

1 **such corporation.**

2 **(2) The credit for taxes paid by an individual shall be applied against**
3 **Louisiana personal income taxes.**

4 **(3) The credit for taxes paid by or on behalf of a corporation classified**
5 **under Subchapter S of the Internal Revenue Code of 1954, as amended, as an**
6 **S corporation shall be applied first against any Louisiana corporate income and**
7 **corporation franchise taxes due by such S corporation, and the remainder of**
8 **any such credit shall be allocated to the shareholder or shareholders of such S**
9 **corporation in accordance with their respective interests and applied against the**
10 **Louisiana income tax of such shareholder or shareholders of the S corporation.**

11 **(4) The credit for taxes paid by or on behalf of a partnership shall be**
12 **allocated to the partners according to their distributive shares of partnership**
13 **gross income and applied against any Louisiana income tax and corporation**
14 **franchise tax liability of such partners.**

15 **(5) The character of the credit for taxes paid by or on behalf of a**
16 **partnership or S corporation and allocated to the partners or shareholders,**
17 **respectively, of such partnership or S corporation, shall be determined as if**
18 **such credit were incurred by such partners or shareholders, as the case may be**
19 **in the same manner as incurred by the partnership or S corporation, as the case**
20 **may be.**

21 **(6) The credit for taxes paid by an estate or trust shall be applied against**
22 **the Louisiana income tax imposed on estates and trusts.**

23 **E. The Department of Labor, in consultation with the Department of**
24 **Revenue, shall promulgate rules and regulations to carry out the purposes of**
25 **this Section.**

26 Section 2. The provisions of this Act shall be applicable to hours of employment of
27 eligible apprentices on and after January 1, 2008.

28 Section 3. This Act shall become effective upon signature by the governor or, if not
29 signed by the governor, upon expiration of the time for bills to become law without signature
30 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

1 vetoed by the governor and subsequently approved by the legislature, this Act shall become
2 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____