

1 SB523 SUB1

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COMMITTEE SUBSTITUTE

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FOR

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Senate Bill No. 523

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(By Senators Klempa, Yost, D. Facemire, Edgell, Unger, Barnes,

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Wells, McCabe, Plymale, Miller and Kessler (Acting President))

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[Originating in the Committee on Labor;

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reported February 23, 2011.]

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

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

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apprenticeship training in construction trades.

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Be it enacted by the Legislature of West Virginia:

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

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be amended and reenacted to read as follows:

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ARTICLE 13W. APPRENTICESHIP TRAINING TAX CREDITS.

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

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construction trades.

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

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after the first day of January, two thousand eight, there shall be

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allowed a credit for any taxpayer against certain taxes imposed by

1 this state as described in subsection (d) of this section for wages
2 paid to apprentices in the construction trades who are registered
3 with the United States Department of Labor, Office of
4 Apprenticeship, West Virginia State Office, by such taxpayer in the
5 tax year that an apprentice and taxpayer participate in a qualified
6 apprenticeship training program, as described in this section,
7 which: (1) Is jointly administered by labor and management
8 trustees; (2) is administered pursuant to 29 U.S.C. Section 50; and
9 (3) is certified in accordance with regulations adopted by the
10 United States Bureau of Apprenticeship and Training or the
11 successor agency thereof.

12 (b) Amount of credit. - The tax credit shall be in an amount
13 equal to one dollar per hour multiplied by the total number of
14 hours worked during the tax year by an apprentice working for the
15 taxpayer participating in the qualified apprenticeship training
16 program, provided the amount of credit allowed for any tax year
17 with respect to each such apprentice may not exceed one thousand
18 dollars or fifty percent of actual wages paid in such tax year for
19 such apprenticeship, whichever is less: Provided, That for tax
20 years beginning on and after January 1, 2011, the tax credit shall
21 be in an amount equal to two dollars per hour multiplied by the
22 total number of hours worked during the tax year by an apprentice
23 working for the participating taxpayer, and the amount of credit
24 allowed for any tax year with respect to each such apprentice may
25 not exceed two thousand dollars or fifty percent of actual wages
26 paid in such tax year for such apprenticeship, whichever is less.

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

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

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

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

20 (3) Personal income taxes. --

21 (A) If the person making the qualified investment is an
22 electing small business corporation (as defined in section 1361 of
23 the United States Internal Revenue Code of 1986, as amended), a
24 partnership, a limited liability company that is treated as a
25 partnership for federal income tax purposes, or a sole
26 proprietorship, then any unused credit (after application of

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

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

11 (4) No credit is allowed under this section against any
12 employer withholding taxes imposed by article twenty-one of this
13 chapter.

14 (e) Unused credit. -- If any credit remains after application
15 of subsection (d) of this section, the amount thereof is forfeited.
16 No carryback to a prior taxable year is allowed for the amount of
17 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.