

1 COMMITTEE SUBSTITUTE

2 FOR

3 **Senate Bill No. 153**

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

5 \_\_\_\_\_  
6 [Originating in the Committee on Finance;  
7 reported February 27, 2012.]  
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11 A BILL to amend and reenact §11-13W-1 of the Code of West Virginia,  
12 1931, as amended, relating to increasing the tax credits for  
13 apprenticeship training in construction trades.

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

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

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

18 **§11-13W-1. Tax credits for apprenticeship training in**  
19 **construction trades.**

20 (a) *Credit allowed.* - For those tax years beginning on or  
21 after ~~the first day of January, two thousand eight~~ January 1, 2008,  
22 there shall be allowed a credit for any taxpayer against certain  
23 taxes imposed by this state as described in subsection (d) of this  
24 section for wages paid to apprentices in the construction trades

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

10 (b) *Amount of credit.* - The tax credit shall be in an amount  
11 equal to \$1 per hour multiplied by the total number of hours worked  
12 during the tax year by an apprentice working for the taxpayer  
13 participating in the qualified apprenticeship training program,  
14 provided the amount of credit allowed for any tax year with respect  
15 to each such apprentice may not exceed \$1000 or fifty percent of  
16 the actual wages paid in ~~such~~ the tax year for ~~such~~ the  
17 apprenticeship, whichever is less: *Provided, That for tax years*  
18 beginning on and after January 1, 2012, the tax credit shall be in  
19 an amount equal to \$2 per hour multiplied by the total number of  
20 hours worked during the tax year by an apprentice working for the  
21 participating taxpayer, and the amount of credit allowed for any  
22 tax year with respect to each apprentice may not exceed \$2,000, or  
23 fifty percent of actual wages paid in that tax year for the  
24 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~~ the apprenticeship by the United States  
7 Bureau of Apprenticeship and Training or the successor agency of  
8 the bureau.

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

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

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

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

22           (A) If the person making the qualified investment is an  
23 electing small business corporation (as defined in Section 1361 of  
24 the United States Internal Revenue Code of 1986, as amended), a

1 partnership, a limited liability company that is treated as a  
2 partnership for federal income tax purposes, or a sole  
3 proprietorship, then any unused credit (after application of  
4 subdivisions (1) and (2) of this subsection) is allowed as a credit  
5 against the taxes imposed by article twenty-one of this chapter on  
6 the income from business or other activity subject to tax under  
7 article twenty-three of this chapter or on income of a sole  
8 proprietor attributable to the business.

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

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

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