

# **WEST VIRGINIA LEGISLATURE**

**2017 REGULAR SESSION**

**Committee Substitute**

**for**

**House Bill 2555**

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[Originating in the Committee on Finance;

March 13, 2017]



1 A BILL to amend and reenact §11-13W-1 of the Code of West Virginia, 1931, as amended, relating  
2 to tax credits for apprenticeship training in construction trades; removing requirement that  
3 eligibility is limited to programs jointly administered by labor and management trustees;  
4 conforming provisions to current law.

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

1 That §11-13W-1 of the Code of West Virginia, 1931, as amended, be amended and  
2 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 after January 1, 2008, there shall  
2 ~~be~~ is allowed a credit for any taxpayer against certain taxes imposed by this state as described in  
3 subsection (d) of this section for wages paid to apprentices in the construction trades who are  
4 registered with the United States Department of Labor, Office of Apprenticeship, West Virginia  
5 State Office, by the taxpayer in the tax year that an apprentice and taxpayer participate in a  
6 qualified apprenticeship training program, as described in this section, which is:

7 ~~(1) Jointly administered by labor and management trustees;~~

8 ~~(2) (1)~~ Administered pursuant to 29 U. S. C. Section 50; and

9 ~~(3) (2)~~ Certified in accordance with regulations adopted by the United States Bureau of  
10 Apprenticeship and Training or the successor agency of that bureau.

11 (b) *Amount of credit.* - ~~The tax credit shall be in an amount equal to \$1 per hour multiplied~~  
12 ~~by the total number of hours worked during the tax year by an apprentice working for the taxpayer~~  
13 ~~participating in the qualified apprenticeship training program, provided, the amount of credit~~  
14 ~~allowed for any tax year with respect to each such apprentice may not exceed \$1,000 or fifty~~  
15 ~~percent of the actual wages paid in the tax year for the apprenticeship, whichever is less:~~  
16 *Provided,* That for tax years beginning on and after January 1, 2012, the The tax credit shall be  
17 in an amount equal to equals \$2 per hour multiplied by the total number of hours worked during

18 the tax year by an apprentice working for the participating taxpayer, and the amount of credit  
19 allowed for any tax year with respect to each apprentice may not exceed \$2,000, or fifty percent  
20 of actual wages paid in that tax year for the apprenticeship, whichever is less.

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

26 (d) *Application of annual credit allowance.* - The amount of credit as determined under  
27 subsection (b) of this section is allowed as a credit against the taxpayer's state tax liability applied  
28 as provided in subdivisions (1) through ~~(3)~~ (2), inclusive, of this subsection, and in that order.

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

31 ~~(2) *(1) Corporation net income taxes.* - After application of subdivision (1) of this~~  
32 ~~subsection, any unused credit is next~~ The credit must first be applied to reduce the taxes imposed  
33 by article twenty-four of this chapter for the taxable year.

34 ~~(3) *(2) Personal income taxes.* — After application of subdivision (1) of this subsection,~~  
35 any unused credit is next applied as follows:

36 (A) If the person making the qualified investment is an electing small business corporation  
37 (as defined in Section 1361 of the United States Internal Revenue Code of 1986, as amended),  
38 a partnership, a limited liability company that is treated as a partnership for federal income tax  
39 purposes, or a sole proprietorship, then any unused credit (after application of ~~subdivisions~~  
40 subdivision (1) ~~and (2)~~ of this subsection) is allowed as a credit against the taxes imposed by  
41 article twenty-one of this chapter on the income from business or other activity ~~subject to tax under~~  
42 ~~article twenty-three of this chapter~~ or on income of a sole proprietor attributable to the business.

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

46           ~~(4)~~ (3) A credit is not allowed under this section against any employer withholding taxes  
47 imposed by article twenty-one of this chapter.

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