

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

House Bill 4550

FISCAL
NOTE

By Delegate Criss

[Introduced January 10, 2024; Referred
to the Committee on Finance]

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.* — (1) For those tax years beginning on or after January 1, 2008, there is
2 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) (A) Administered pursuant to 29 U.S.C. § 50; and

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

10 (2) For taxable years beginning on and after January 1, 2025, there is allowed a credit for
11 any taxpayer against certain taxes imposed by this state as described in subsection (d) of this
12 section for wages paid to apprentices who are registered with the United States Department of
13 Labor, Office of Apprenticeship, West Virginia State Office, by the taxpayer in the tax year that an
14 apprentice and taxpayer participate in a qualified apprenticeship training program, as described in
15 this section, which fulfills the requirements of subdivision (a)(1) of this section.

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

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

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

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

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

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

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

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

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

NOTE: The purpose of this bill is to eliminate the requirement that the apprenticeship training tax credit base be limited to wages paid to apprentices in the construction trades for tax years beginning on and after January 1, 2025.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.