

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE DRH60424-LC-210 (05/10)

Short Title: Apprenticeship Tax Credit. (Public)

Sponsors: Representatives Howard and Sherrill (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED

AN ACT TO PROVIDE A TAX CREDIT FOR EMPLOYERS WHO PARTICIPATE
IN AN APPRENTICESHIP PROGRAM APPROVED BY THE DEPARTMENT
OF LABOR.

The General Assembly of North Carolina enacts:

SECTION 1. Article 3B of Chapter 105 of the General Statutes is amended
by adding a new section to read:

"§ 105-129.16D. Credit for employing apprentices.

(a) Credit. – An eligible taxpayer is allowed a credit equal to fifteen percent (15%) of the wages it paid to registered apprentices during the taxable year. A taxpayer is eligible if it has participated in an approved apprenticeship program and has not violated any State or federal apprenticeship law or regulation.

(b) Allocation. – If the taxpayer is an individual who is a nonresident or a part-year resident, the taxpayer must reduce the amount of the credit by multiplying it by the fraction calculated under G.S. 105-134.5(b) or (c), as appropriate. If the taxpayer is not an individual and is required to apportion its multistate business income to this State, the taxpayer must reduce the amount of the credit by multiplying it by the apportionment fraction used to apportion its income to this State.

(c) Documentation. – In order to claim the credit allowed by this section the taxpayer must make available to the Department a written certification from the Apprenticeship and Training Bureau of the Department of Labor containing the name and taxpayer identification number of each registered apprentice employed by the taxpayer during the taxable year and stating whether the employer has violated any State or federal apprenticeship law or regulations.

(d) Definitions. – The following definitions apply in this section:

- 1 (1) Approved apprenticeship program. – An apprenticeship program
2 approved by the Department of Labor pursuant to Chapter 94 of the
3 General Statutes.
4 (2) Registered apprentice. – An employee that is registered in an approved
5 apprenticeship program."

6 **SECTION 2.** This act becomes effective for taxable years beginning on or
7 after January 1, 2005. The fact that an apprenticeship was approved before January 1,
8 2005, does not render it ineligible for the credit provided in this act.