

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005

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HOUSE DRH80091-LY-116A (2/17)

Short Title: Apprenticeship Program Tax Credits. (Public)

Sponsors: Representatives Howard, Sherrill, and Justice (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 AND TO MAKE TECHNICAL AND CONFORMING CHANGES IN  
ARTICLE 3B OF CHAPTER 105 OF THE GENERAL STATUTES.

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:

**"§ 105-129.16E. 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 factor used to apportion 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 regulation.

(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           (e) Sunset. – This section is repealed for taxable years beginning on or after  
7           January 1, 2009."

8           **SECTION 2.** G.S. 105-129.15A is repealed.

9           **SECTION 3.** G.S. 105-129.16 is repealed.

10          **SECTION 4.** G.S. 105-129.16A is amended by adding a new subsection to

11 read:

12          "(e) Sunset. – This section is repealed for renewable energy property placed in  
13          service on or after January 1, 2006."

14          **SECTION 5.** G.S. 105-129.16C is amended by adding a new subsection to

15 read:

16          "(d) Sunset. – This section is repealed for taxable years beginning on or after  
17          January 1, 2006."

18          **SECTION 6.** Section 1 of this act is effective for taxable years beginning on  
19 or after January 1, 2006. The fact that an apprenticeship was approved before January  
20 1, 2006, does not render it ineligible for the credit provided under G.S. 105-129.16E  
21 created under this act. The remainder of this act is effective when it becomes law.