

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2003

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HOUSE BILL 1423
Committee Substitute Favorable 6/23/04
Committee Substitute #2 Favorable 7/1/04

Short Title: Apprenticeship Tax Credit.

(Public)

Sponsors:

Referred to:

May 13, 2004

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) Approved apprenticeship program. – An apprenticeship program approved by the Department of Labor pursuant to Chapter 94 of the General Statutes.

1 (2) Registered apprentice. – An employee that is registered in an approved
2 apprenticeship program."

3 **SECTION 2.** G.S. 105-129.15A reads as rewritten:

4 "**§ 105-129.15A. Sunset.**

5 G.S. 105-129.16 is repealed effective for business property placed in service on or
6 after January 1, 2002. G.S. 105-129.16D is repealed effective for taxable years
7 beginning on or after January 1, 2008. The remainder of this Article is repealed
8 effective January 1, 2006. The repeal of G.S. 105-129.16A applies to renewable energy
9 property placed in service on or after January 1, 2006."

10 **SECTION 3.** Of the funds appropriated to the Department of Labor for the
11 2004-2005 fiscal year, the sum of up to five thousand dollars (\$5,000) may be used to
12 fund administrative costs associated with implementing the tax credit for employing
13 apprentices under G.S. 105-129.16D.

14 **SECTION 4.** Sections 1 and 2 of this act become effective for taxable years
15 beginning on or after January 1, 2005. The remaining sections of this act become
16 effective July 1, 2004. The fact that an apprenticeship was approved before January 1,
17 2005, does not render it ineligible for the credit provided in this act.