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FIRST REGULAR SESSION-2019

Legislative Document

No. 70

S.P. 23

In Senate, January 15, 2019

An Act To Support the Trades through a Tax Credit for Apprenticeship Programs

Reference to the Committee on Taxation suggested and ordered printed.

A handwritten signature in black ink, appearing to read "D M Grant".

DAREK M. GRANT
Secretary of the Senate

Presented by Senator HERBIG of Waldo.
Cosponsored by Representative TIPPING of Orono and
Senators: CHIPMAN of Cumberland, LUCHINI of Hancock, POULIOT of Kennebec,
SANBORN, H. of Cumberland, Representatives: ACKLEY of Monmouth, BICKFORD of
Auburn, CUDDY of Winterport, FECTEAU of Biddeford.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5219-TT** is enacted to read:

3 **§5219-TT. Apprenticeship credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Apprenticeship program" means an apprenticeship program approved by the
7 Department of Labor pursuant to Title 26, chapter 37.

8 B. "Employing unit" has the same meaning as in Title 26, section 1043, subsection
9 10.

10 C. "Participating apprentice" means a registered apprentice, pursuant to Title 26,
11 section 3202, participating in an apprenticeship program.

12 **2. Credit allowed.** For tax years beginning in 2020 or after, a taxpayer constituting
13 an employing unit that employs a participating apprentice in the taxable year is allowed a
14 credit against taxes imposed under this Part for each participating apprentice employed by
15 the taxpayer during the taxable year.

16 **3. Amount of credit.** For an employing unit employing a participating apprentice
17 for at least 2,000 hours during the taxable year, the credit under this section is \$2,500.
18 For an employing unit employing a participating apprentice for fewer than 2,000 hours
19 during the taxable year, the credit is \$2,500 multiplied by a fraction, the numerator of
20 which is the number of hours that the participating apprentice worked for the employing
21 unit during the taxable year and the denominator of which is 2,000.

22 **4. Participation statement and apprenticeship program certificates.** An
23 employing unit claiming a credit under this section for one or more participating
24 apprentices shall submit with the employing unit's Maine income tax return for the
25 taxable year a statement indicating the number of hours worked by each participating
26 apprentice during the taxable year for which a credit is claimed under this section. The
27 statement must include employing unit and participating apprentice information and any
28 other information the assessor considers necessary to determine eligibility for the credit
29 under this section. A pass-through entity, such as a partnership, limited liability
30 company, S corporation or similar pass-through entity, shall submit the statement
31 required by this subsection directly to the bureau. The Department of Labor shall provide
32 the bureau with copies of apprenticeship program certificates of eligibility and any
33 pertinent information that will assist the assessor in determining eligibility for the credit
34 under this section.

35 **SUMMARY**

36 This bill permits an employer who employs an apprentice participating in an
37 approved apprenticeship program to receive a tax credit and provides for a partial credit if
38 the employer employs a participating apprentice for fewer than 2,000 hours during a
39 calendar year.