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SENATE BILL NO. 673

Offered January 8, 1997

Prefiled January 7, 1997

A BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.6, relating to youth apprenticeship tax credit.

Patrons—Waddell and Marsh

Referred to the Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.6 as follows:

§ 58.1-439.6. Youth apprenticeship tax credit.

A. As used in this section, unless otherwise required by the context, the term or phrase:

"Apprentice" means a person age nineteen or younger who has not obtained a high school diploma and is being trained by a business firm pursuant to an apprenticeship program.

"Apprenticeship program" means an apprenticeship training program registered with the Bureau of Apprenticeship and Training of the U.S. Department of Labor and is provided pursuant to an apprenticeship agreement signed by the business firm and the apprentice.

"Business firm" means a corporation, partnership, or limited liability company operating an apprenticeship program.

"Other qualified expenses" means the costs of classroom instruction and related expenses identified as costs for which the business firm is responsible pursuant to an apprenticeship agreement, including but not limited to tuition, fees, and books for college level courses taken while the apprentice is enrolled in high school.

"Wage-related qualified expenses" means (i) salary and wages paid to an apprentice and (ii) fringe benefits and other payroll expenses paid for the benefit of an apprentice.

B. For taxable years beginning on and after January 1, 1998, through December 31, 2008, a business firm shall be allowed a credit against the taxes imposed by § 58.1-320 or § 58.1-400 in an amount equal to the sum of fifty percent of the wage-related qualified expenses and one hundred percent of the other qualified expenses paid by the business firm pursuant to an apprenticeship agreement in the taxable year in which such expenses are incurred, not to exceed \$3,500 per apprentice.

C. If the amount of the credit exceeds the taxpayer's liability for such taxable year, the portion of the credit that exceeds the tax liability shall be refunded to the business firm.

D. For purposes of this section, the amount of any credit attributable to a partnership, electing small business corporation (S corporation), or limited liability company shall be allocated to the individual partners, shareholders, or members, respectively, in proportion to their ownership or interest in such business entities.

INTRODUCED

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