

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

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

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

Sec. 1. 36 MRS §5219-TT is enacted to read:

§ 5219-TT. Apprenticeship credit

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

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

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

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

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

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

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

SUMMARY

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