

2021 -- H 5670

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO TAXATION -- COMMUNITY COLLEGE APPRENTICE TAX CREDIT

Introduced By: Representatives Baginski, Caldwell, and Potter

Date Introduced: February 24, 2021

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 44 of the General Laws entitled "TAXATION" is hereby amended by
2 adding thereto the following chapter:

3 CHAPTER 30.4

4 COMMUNITY COLLEGE APPRENTICE TAX CREDIT

5 **44-30.4-1. Definitions.**

6 For purposes of this chapter, the following words have the following meanings:

7 (1) "Employer" means a Rhode Island taxpayer who is the employer of the qualifying
8 apprentice.

9 (2) "Qualifying apprentices" means individuals who:

10 (i) Are residents of the state of Rhode Island;

11 (ii) Are between the ages of sixteen (16) and thirty (30) years old at the close of the school
12 year for which a credit is sought;

13 (iii) During the school year for which a credit is sought were full-time apprentices enrolled
14 in an apprenticeship program which is registered with the United States Department of Labor,
15 Office of Apprenticeship; and

16 (iv) Are employed in Rhode Island by the taxpayer who is the employer.

17 (3) "Qualified education expense" means the amount incurred on behalf of a qualifying
18 apprentice not to exceed three thousand five hundred dollars (\$3,500) for tuition, book fees, and
19 lab fees at the school or community college in which the apprentice is enrolled during the regular

1 school year.

2 (4) "School" means any public or nonpublic secondary school in Rhode Island that is:

3 (i) An institution of higher education that provides a program that leads to an industry-
4 recognized postsecondary credential or degree;

5 (ii) An entity that carries out programs registered under the federal National Apprenticeship
6 Act; or

7 (iii) Another public or private provider of a program of training services, which may
8 include a joint labor management organization.

9 **44-30.4-2. Apprenticeship education expense credit.**

10 (a) For tax years ending after December 31, 2021, a taxpayer who is the employer of one
11 or more qualifying apprentices shall be allowed a credit against the tax imposed by the provisions
12 of chapters 11 and 30 of title 44 for qualified education expenses incurred on behalf of a qualifying
13 apprentice. The credit shall be equal to one hundred percent (100%) of qualified education
14 expenses, but in no event may the total credit amount awarded to a single taxpayer in a single
15 taxable year exceed three thousand five hundred dollars (\$3,500). In no event shall a credit under
16 this chapter reduce the taxpayer's liability to less than zero.

17 (b) If the taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed
18 to the partners or shareholders in accordance with the determination of income and distributive
19 share of income under Sections 702 and 704 and Subchapter S of the Internal Revenue Code.

20 **44-30.4-3. Procedure to claim tax credit.**

21 The taxpayer shall provide the division of taxation such information as the division may
22 require, including, but not limited to:

23 (1) The name, age, and taxpayer identification number of each qualifying apprentice
24 employed by the taxpayer during the taxable year;

25 (2) The amount of qualified education expenses incurred with respect to each qualifying
26 apprentice; and

27 (3) The name of the school at which the qualifying apprentice is enrolled and the qualified
28 education expenses are incurred.

29 **44-30.4-4. Carry forward provision for unused tax credit.**

30 Any tax credit otherwise allowable under this chapter that is not used by the taxpayer in a
31 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
32 succeeding tax year. Any credit remaining unused in the next succeeding tax year may be carried
33 forward and used in the second succeeding tax year, and likewise any credit not used in that second
34 succeeding tax year may be carried forward and used in the third succeeding tax year but may not

1 [be carried forward for any tax year thereafter.](#)

2 **44-30.4-5. Rules and regulations.**

3 [The tax administrator shall promulgate rules and regulations for the implementation of the](#)

4 [tax credit created by this chapter.](#)

1 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO TAXATION -- COMMUNITY COLLEGE APPRENTICE TAX CREDIT

1 This act creates a tax credit for employers of qualifying apprentices up to three thousand
2 five hundred dollars (\$3,500) per tax year commencing for the tax years after December 31, 2021
3 with a three (3) year carry forward provision for any unused portion of the tax credit in the
4 succeeding tax year.

5 This act would take effect upon passage.

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