

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2019

H.B. 690  
Apr 10, 2019  
HOUSE PRINCIPAL CLERK

H

D

HOUSE BILL DRH10394-MCf-122

Short Title: Apprenticeship Tax Credit.

(Public)

Sponsors: Representative Alexander.

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO ALLOW AN INCOME TAX CREDIT AGAINST WAGES PAID TO CERTAIN  
3 APPRENTICES.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Part 1 of Article 4 of Subchapter I of Chapter 105 of the General  
6 Statutes is amended by adding a new section to read:

7 "**§ 105-130.49. Credit for apprentices.**

8 (a) Credit. – A taxpayer that employs a qualifying apprentice is allowed a credit against  
9 the taxes imposed by this Part. The credit is equal to fifty percent (50%) of the product of two  
10 factors. The first factor is the number of hours worked by the apprentice, and the second factor  
11 is the qualifying apprentice's hourly wage for which the taxpayer remits withholding payments  
12 to the Department pursuant to Article 4A of this Chapter. A "qualifying apprentice" is either of  
13 the following:

14 (1) An employee, who, during the term of apprenticeship, is (i) enrolled in an  
15 apprenticeship required for licensure by a State licensing board, (ii) employed  
16 by the taxpayer for at least 40 hours per week at an hourly wage above  
17 minimum wage, (iii) provided supervised instruction by a person licensed by  
18 the State licensing board requiring the apprenticeship, and (iv) performing  
19 work documented by the taxpayer and approved by the licensing board as  
20 appropriate for apprenticeship training.

21 (2) An employee who is an apprentice, as defined in G.S. 115D-11.10.

22 (b) Substantiation. – A taxpayer allowed a credit under this section must maintain and  
23 make available for inspection any information or records required by the Secretary of Revenue.  
24 The taxpayer must obtain and submit documentation from the licensing board requiring the  
25 apprenticeship for licensure or from the State Board of Community Colleges that verifies the  
26 enrolled status of the apprentice and the term of the apprenticeship."

27 **SECTION 2.** Part 2 of Article 4 of Subchapter I of Chapter 105 of the General  
28 Statutes is amended by adding a new section to read:

29 "**§ 105-153.11. Credit for apprentices.**

30 (a) Credit. – A taxpayer that employs a qualifying apprentice is allowed a credit against  
31 the taxes imposed by this Part. The credit is equal to fifty percent (50%) of the product of two  
32 factors. The first factor is the number of hours worked by the apprentice, and the second factor  
33 is the qualifying apprentice's hourly wage for which the taxpayer remits withholding payments  
34 to the Department pursuant to Article 4A of this Chapter. A "qualifying apprentice" is either of  
35 the following:



\* D R H 1 0 3 9 4 - M C F - 1 2 2 \*

1           (1)    An employee, who, during the term of apprenticeship, is (i) enrolled in an  
2                   apprenticeship required for licensure by a State licensing board, (ii) employed  
3                   by the taxpayer for at least 40 hours per week at an hourly wage above  
4                   minimum wage, (iii) provided supervised instruction by a person licensed by  
5                   the State licensing board requiring the apprenticeship, and (iv) performing  
6                   work documented by the taxpayer and approved by the licensing board as  
7                   appropriate for apprenticeship training.

8           (2)    An employee who is an apprentice, as defined in G.S. 115D-11.10.

9           (b)    Substantiation. – A taxpayer allowed a credit under this section must maintain and  
10                   make available for inspection any information or records required by the Secretary of Revenue.  
11                   The taxpayer must obtain and submit documentation from the licensing board requiring the  
12                   apprenticeship for licensure or from the State Board of Community Colleges that verifies the  
13                   enrolled status of the apprentice and the term of the apprenticeship."

14                   **SECTION 3.** This act is effective for taxable years beginning on or after January 1,  
15                   2019.