

SENATE BILL 1548

By Kyle

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 21, relative to tax credits for certain employers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 21, is amended by adding a new section thereto, as follows:

Section 67-4-2121

(a) There shall be allowed a credit for any taxpayer against the tax imposed under this part for an income year, in an amount equal to two thousand dollars (\$2,000) or ten percent (10%) of the wages earned by an apprentice pursuant to this act, whichever is less.

(b)

(1) The credit permitted under this section shall be allowed only under the following conditions:

(A) A taxpayer must obtain a certification from the bureau of apprenticeship and training in the United States department of labor that such taxpayer has meet all the requirements and qualifications of the apprenticeship program as provided in Title

29, Subtitle (a), Part 29 of the Code of Federal Regulations in effect on January 1, 1995;

(B) The taxpayer must submit to the department of revenue proof of the number of hours such apprentice or apprentices were employed by the taxpayer during the income year. An employer must employ an apprentice or apprentices for more than one thousand four hundred (1,400) hours during an income year in order to be eligible for a tax credit pursuant to this section. A taxpayer may add the hours of two (2) or more apprentices in order to reach the minimum employment hours required;

(C) All apprentices must be directly employed by the taxpayer. Employers shall not include apprentices employed by a subcontractor, an independent contractor or other source when applying for a tax credit; and

(D) A taxpayer submits such other proof required by the department of revenue.

(2) The credit permitted under this section shall be limited to the first ninety (90) business taxpayer applicants that apply for such credit. Each applicant shall be eligible for one (1) tax credit only regardless of the number of apprentices such entity employs.

(c) The amount of the credit that may be used by a taxpayer for a taxable year may not exceed the amount of tax imposed by this chapter. Any unused credit may be carried over for not more than two (2) years.

(d) The tax credit provided by this act shall apply to taxable years beginning January 1, 1997, and all taxable years thereafter.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.