

## 1 HOUSE BILL NO. 277

2 INTRODUCED BY C. CLARK

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4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN INCOME TAX CREDIT PROGRAM FOR  
5 EMPLOYERS OF REGISTERED APPRENTICES; AND PROVIDING AN APPLICABILITY DATE."

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7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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9 NEW SECTION. Section 1. Employer tax credit available. (1) A taxpayer that employs an apprentice  
10 who works in Montana pursuant to a state registered apprenticeship training program is eligible for an annual  
11 credit against income taxes imposed pursuant to Title 15, chapter 30, or Title 15, chapter 31, in an amount up  
12 to \$1,000 for each apprentice employed.

13 (2) A tax credit is not available until after the apprentice in the employ of the taxpayer has completed the  
14 apprentice's program probationary period or 6 months, whichever is earlier. An employer applying for a tax credit  
15 must apply each year to receive the credit for the preceding calendar year. A credit may not be allowed to the  
16 employer for more than 4 tax years for each individual apprentice.

17 (3) For fiscal year filers, the credit available to claim in the current fiscal year is the credit allowed for the  
18 calendar year that ends within the taxpayer's fiscal period.

19 (4) Subject to meeting the probationary period in subsection (2), if an employer employs an apprentice  
20 for less than the full preceding calendar year, the employer may apply for the credit on a pro rata monthly basis  
21 beginning on the first day of the first full month of apprenticeship.

22 (5) The department shall, after consultation with the department of revenue, prescribe a form for a  
23 taxpayer to claim the tax credit provided by this section. The form must provide the department of revenue with  
24 sufficient information for the proper administration of the credit as provided in [section 2] and [section 3]. The  
25 department shall provide the department of revenue an annual report detailing the tax credit provided to  
26 employers for the previous year.

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28 NEW SECTION. Section 2. Tax credit for hiring registered apprentices. (1) There is a tax credit  
29 against the taxes otherwise due under this chapter that is allowable in the amount established pursuant to  
30 [section 1] when a taxpayer employs a registered apprentice who works in Montana.

1 (2) If the amount of the credit exceeds the taxpayer's liability, the credit may be carried forward 4 years.  
2 The entire amount of the tax credit not used in the year earned must be carried first to the earliest tax year in  
3 which the credit may be applied and then to each succeeding tax year.

4 (3) The department of labor and industry shall provide a taxpayer that desires to claim the tax credit with  
5 a form that contains sufficient information for the department to apply the tax credit.

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7 **NEW SECTION. Section 3. Tax credit for hiring registered apprentices.** (1) There is a tax credit  
8 against the taxes otherwise due under 15-31-121 or 15-31-122 that is allowable in the amount established  
9 pursuant to [section 1] when a taxpayer employs a registered apprentice who works in Montana.

10 (2) If the amount of the credit exceeds the taxpayer's liability, the credit may be carried forward 4 years.  
11 The entire amount of the tax credit not used in the year earned must be carried first to the earliest tax year in  
12 which the credit may be applied and then to each succeeding tax year.

13 (3) If the credit allowed under this section is claimed by a small business corporation, as defined in  
14 15-30-3301, a pass-through entity, or a partnership, the credit must be attributed to shareholders, owners, or  
15 partners using the same proportion as used to report the entity's income or loss.

16 (4) The department of labor and industry shall provide a taxpayer that desires to claim the tax credit with  
17 a form that contains sufficient information for the department to apply the tax credit.

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19 **NEW SECTION. Section 4. Codification instruction.** (1) [Section 1] is intended to be codified as an  
20 integral part of Title 39, chapter 6, and the provisions of Title 39, chapter 6, apply to [section 1].

21 (2) [Section 2] is intended to be codified as an integral part of Title 15, chapter 30, and the provisions of  
22 Title 15, chapter 30, apply to [section 2].

23 (3) [Section 3] is intended to be codified as an integral part of Title 15, chapter 31, and the provisions of  
24 Title 15, chapter 31, apply to [section 3].

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26 **NEW SECTION. Section 5. Applicability.** [This act] applies to tax years beginning after December 31,  
27 2015.

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