

1 SB295
2 198498-1
3 By Senators Orr, Holley, Stutts, Allen and Givhan
4 RFD: Finance and Taxation Education
5 First Read: 16-APR-19

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8 SYNOPSIS: This bill would establish the Alabama
9 Industry Recognized and Registered Apprenticeship
10 Program Act.

11 This bill would create the Alabama Office of
12 Apprenticeship to register registered
13 apprenticeship programs and to certify industry
14 recognized apprenticeship programs in the state in
15 lieu of the federal office of apprenticeship that
16 currently administers state registered
17 apprenticeship programs.

18 This bill would authorize the Alabama Office
19 of Apprenticeship to provide a federally recognized
20 state apprenticeship completion credential for
21 registered and industry recognized apprenticeships
22 registered or certified by the Alabama Office of
23 Apprenticeship.

24 This bill would also increase the per capita
25 apprenticeship tax credit from \$1,000 to \$1,250;
26 increase the aggregate apprenticeship tax credit
27 from \$3,000,000 to \$7,500,000; provide a \$500 per

1 capita incentive tax credit for hiring in school
2 youth apprentices; and extend the apprenticeship
3 tax credit through 2025.

4
5 A BILL
6 TO BE ENTITLED
7 AN ACT

8
9 To establish the Alabama Industry Recognized and
10 Registered Apprenticeship Program Act; to establish the
11 Alabama Office of Apprenticeship to register and certify
12 registered and industry recognized apprenticeship programs; to
13 develop the Alabama Registered and Industry Recognized
14 Apprenticeship Program; to provide incentives to employers who
15 hire apprentices; to offer a nationally recognized state
16 apprenticeship credential; and to amend Sections 40-18-422,
17 40-18-423, and 40-18-424 of the Code of Alabama 1975, relating
18 to the Apprenticeship Tax Credit Act of 2016; to increase the
19 per capita apprenticeship tax credit from \$1,000 to \$1,250,
20 increase the aggregate apprenticeship tax credit from
21 \$3,000,000 to \$7,500,000, provide a \$500 per capita incentive
22 tax credit for hiring in school youth apprentices; and to
23 extend the apprenticeship tax credit through 2025.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Sections 1 to 6, inclusive, shall be
26 known and may be cited as the Alabama Industry Recognized and
27 Registered Apprenticeship Program Act.

1 Section 2. For the purposes of Sections 1 to 6,
2 inclusive, the following terms shall have the following
3 meanings:

4 (1) APPRENTICE. A worker who is at least 16 years of
5 age, except where a higher minimum age standard is otherwise
6 fixed by law, who is employed to learn an apprenticeable
7 occupation as provided in 29 CFR 29.4.

8 (2) APPRENTICESHIP AGREEMENT. A written agreement
9 between an apprentice and either the apprenticeship program
10 sponsor, or an apprenticeship committee acting as agent for
11 the apprenticeship program sponsor or sponsors, which contains
12 the terms and conditions of the employment and training of the
13 apprentice in conformance with 29 CFR 29 and Section
14 40-18-421, Code of Alabama 1975.

15 (3) APPRENTICESHIP PROGRAM. A plan containing all
16 terms and conditions for the qualification, recruitment,
17 selection, employment, and training of apprentices, as
18 required under the federal guidelines in CFR Title 29,
19 Subtitle A, parts 29 and 30, U.S.C. §50, for apprenticeship
20 programs certified by the Alabama Office of Apprenticeship,
21 and the rules adopted by the Alabama Office of Apprenticeship,
22 including such matters as the requirement for a written
23 apprenticeship agreement.

24 (4) CANCELLATION. The termination of the
25 registration or approval status of an apprenticeship program
26 at the request of the sponsor, or termination of an
27 apprenticeship agreement at the request of the apprentice.

1 (5) CERTIFICATION or CERTIFICATE. The written
2 approval by the Alabama Office of Apprenticeship of a set of
3 apprenticeship standards or of an individual for employment as
4 an apprentice or probationary apprentice in a registered
5 apprenticeship program or proof that an apprentice has
6 successfully met the requirements to receive an interim
7 credential.

8 (6) CERTIFIED INDUSTRY RECOGNIZED APPRENTICESHIP
9 PROGRAM. An apprenticeship program certified by the Alabama
10 Office of Apprenticeship that includes a paid work component
11 and an educational or instructional component wherein an
12 individual obtains workplace knowledge and skills, developed
13 or delivered by third parties, including trade and industry
14 groups, companies, nonprofit organizations, educational
15 institutions, unions, and joint labor management
16 organizations.

17 (7) DEREGISTRATION. The termination of the
18 registration or approval status of an apprenticeship program
19 upon written request of the sponsor or upon cause by the
20 Alabama Office of Apprenticeship instituting formal
21 deregistration proceedings.

22 (8) ELIGIBLE EMPLOYER. The same meaning as provided
23 in Section 40-18-421, Code of Alabama 1975.

24 (9) EMPLOYER. Any person or organization employing
25 an apprentice, whether or not the person or organization is a
26 party to an apprenticeship agreement with the apprentice.

1 (10) FEDERAL PURPOSES. Any action related to a
2 federal contract, grant, agreement, or arrangement dealing
3 with an apprenticeship. The term includes any federal
4 financial or other assistance, benefit, privilege,
5 contribution, allowance, exemption, preference, or right
6 pertaining to an apprenticeship.

7 (11) GOVERNOR. The chief executive of this state.

8 (12) IN SCHOOL YOUTH. A youth described in Section
9 129(a)(1)(C) of the federal Workforce Innovation and
10 Opportunity Act.

11 (13) ON-THE-JOB TRAINING. Training by an employer
12 that is provided to a paid participant while engaged in
13 productive work in a job that provides knowledge or skills
14 essential to the full and adequate performance of the job; is
15 made available through a program that provides reimbursement
16 to the employer of up to 50 percent of the wage rate of the
17 participant, except as provided in Section 134(c)(3)(H) of the
18 federal Workforce Innovation and Opportunity Act, for the
19 extraordinary costs of providing the training and additional
20 supervision related to the training; and is limited in
21 duration as appropriate to the occupation for which the
22 participant is being trained, taking into account the content
23 of the training, the prior work experience of the participant,
24 and the service strategy of the participant, as appropriate.

25 (14) REGISTERED APPRENTICESHIP. A formal, on-the-job
26 training program registered by the Alabama Office of
27 Apprenticeship that includes all of the following:

- 1 a. Employer involvement.
- 2 b. On-the-job training.
- 3 c. Related technical instruction.
- 4 d. Paid work experience.
- 5 e. A portable, nationally recognized industry
- 6 credential.

7 (15) REGISTERED PREAPPRENTICESHIP. A program or set
8 of strategies, registered by the Alabama Office of
9 Apprenticeship, including basic skills training, academic
10 skills remediation, or introduction to the industry, designed
11 to prepare individuals for entry into an apprenticeship
12 program.

13 (16) REGISTERED YOUTH APPRENTICESHIP. A program that
14 is designed specifically for individuals aged 16 to 18,
15 inclusive, registered by the Alabama Office of Apprenticeship,
16 and is connected to an adult apprenticeship.

17 (17) REGISTRATION AGENCY. The agency that has
18 responsibility for registering apprenticeship programs and
19 apprentices, providing technical assistance, and conducting
20 review for compliance with existing state law and the state
21 plan for equal employment opportunities.

22 (18) REQUIRED TECHNICAL INSTRUCTION. An organized
23 and systematic form of instruction designed to provide the
24 apprentice with knowledge of the theoretical and technical
25 subjects related to the occupation of the apprentice. The
26 instruction may be given in a classroom, through occupational
27 or industrial courses, or by correspondence courses of

1 equivalent value, electronic media, or other forms of
2 self-study for registered and industry recognized
3 apprenticeship programs certified by the Alabama Office of
4 Apprenticeship. The sponsor shall be responsible for the
5 administration and supervision of related and supplemental
6 instruction for apprentices and coordination of the
7 instruction with job experience.

8 (19) SPONSOR. Any person, association, committee, or
9 organization operating preapprenticeships, youth registered
10 apprenticeships, youth industry recognized apprenticeships,
11 registered apprenticeships, and industry recognized
12 apprenticeships and in whose name the program is, or will be,
13 registered or approved by the Alabama Office of
14 Apprenticeship.

15 (20) STATE APPRENTICESHIP AGENCY. The Alabama Office
16 of Apprenticeship.

17 (21) STATE APPRENTICESHIP INTERMEDIARY. The Alabama
18 Community College System.

19 (22) VETERAN. The meaning given the term in Section
20 101 of Title 38, United States Code.

21 (23) WORK BASED LEARNING. Sustained interactions
22 with industry or community professionals in real workplace
23 settings, to the extent practicable, or simulated environments
24 at an educational institution that foster in-depth, first-hand
25 engagement with the tasks required of a given career field,
26 that are aligned to curriculum and instruction.

1 Section 3. (a) There is established the Alabama
2 Office of Apprenticeship as a part of the Workforce
3 Development Division of the Department of Commerce, in
4 accordance with 29 U.S.C. 50, 29 CFR 29 and 30, and Article
5 20, commencing with Section 40-18-420, of Chapter 18, Title
6 40, Code of Alabama 1975, the Apprenticeship Tax Credit Act of
7 2016. The Alabama Office of Apprenticeship is established for
8 all of the following purposes:

9 (1) To exercise nonexclusive authority to determine
10 whether an apprenticeship program conforms to the regulations
11 published in 29 CFR 29 and 30.

12 (2) To set forth labor standards necessary to
13 safeguard the welfare of apprentices.

14 (3) To establish policies and procedures for the
15 registration and deregistration of preapprenticeships, youth
16 registered apprenticeships, registered apprenticeships, and
17 the certification of youth industry recognized apprenticeships
18 and industry recognized apprenticeships in the state.

19 (4) To serve as the registration agency for
20 registered preapprenticeships, registered youth
21 apprenticeships, certified youth industry recognized
22 apprenticeships, registered apprenticeships, and certified
23 industry recognized apprenticeships in the state.

24 (5) To resolve disputes arising between the parties
25 involved in an apprenticeship agreement registered or
26 certified by the Alabama Office of Apprenticeship.

1 (b) The Alabama Office of Apprenticeship shall be
2 maintained under the direction of the Deputy Secretary of the
3 Workforce Development Division of the Department of Commerce.
4 The deputy secretary, with the advice and consent of the
5 Alabama Apprenticeship Council created pursuant to Section 5,
6 may appoint a director for the Alabama Office of
7 Apprenticeship, who shall serve at the pleasure of the deputy
8 secretary, shall manage the Alabama Office of Apprenticeship,
9 and shall perform such duties as necessary to effectuate the
10 intent of Sections 1 to 6, inclusive.

11 (c) The deputy secretary, no later than June 30,
12 2019, shall submit to the United States Secretary of Labor and
13 the Administrator of the national Office of Apprenticeship, in
14 accordance with 29 CFR 29.13(a), an application to recognize
15 the Alabama Office of Apprenticeship as a state apprenticeship
16 agency that shall comply with 29 CFR 29.13(a)-(c). The
17 application for recognition as a state apprentice agency,
18 submitted by the deputy secretary, shall include all of the
19 following elements:

20 (1) A description of policies and operating
21 procedures that depart from, or impose requirements in
22 addition to, 29 CFR 29.

23 (2) A state plan for equal employment opportunity in
24 apprenticeship that conforms to the requirements published in
25 29 CFR 30.

1 (3) A description of the basic standards, criteria,
2 and requirements for program registration, certification, and
3 approval.

4 (4) A demonstration of the linkages and coordination
5 with the economic development and publicly funded workforce
6 investment system of the state.

7 (5) A description of how the Alabama Office of
8 Apprenticeship will utilize the Alabama Apprenticeship
9 Council.

10 (6) A description of respective powers of the
11 Alabama Office of Apprenticeship and the Alabama
12 Apprenticeship Council.

13 (7) A description of the required contents of
14 apprenticeship agreements, in conformity with 29 CFR 29.7.

15 (8) A plan to ensure that the registration or
16 certification of apprenticeship programs occurs only in
17 apprenticeable occupations, as provided in 29 CFR 29.4,
18 including occupations in high growth and high demand
19 industries, including a description of how the Alabama Office
20 of Apprenticeship will expand apprenticeship opportunities in
21 apprenticeable occupations listed on the regional and
22 statewide list of in-demand career pathways.

23 (9) A plan to accord reciprocal approval, for
24 federal purposes, to apprentices, apprenticeship programs, and
25 standards that are registered in other states by the national
26 Office of Apprenticeship or a registration agency, if such
27 reciprocity is requested by the apprenticeship program

1 sponsor. Program sponsors seeking reciprocal approval shall
2 meet wage and hour provisions and apprentice ratio standards
3 of this state.

4 (10) A plan providing for the cancellation or
5 deregulation, or both, of programs, for temporary suspension,
6 cancellation, decertification, or deregistration, or any of
7 these, of apprenticeship agreements.

8 Section 4. (a) The Alabama Office of Apprenticeship,
9 with the advice and consent of the Alabama Apprenticeship
10 Council, shall develop a nationally recognized state
11 apprenticeship completion credential, as described in 29 CFR
12 29.5, for completing a registered or industry recognized
13 apprenticeship program registered or certified with the
14 Alabama Office of Apprenticeship.

15 (b) The Alabama Office of Apprenticeship may certify
16 industry recognized apprenticeships as eligible training
17 providers for the purpose of the federal Workforce Innovation
18 and Opportunity Act, P.L. 113-128, and may deliver services to
19 registered apprenticeship participants with qualifying
20 training accounts under Title I of the federal Workforce
21 Innovation and Opportunity Act, P.L. 113-128, through the
22 eligible training provider list of each regional workforce
23 development board.

24 (c) The Alabama Office of Apprenticeship, with the
25 advice and consent of the Alabama Office of Apprenticeship and
26 pursuant to the Alabama Administrative Procedure Act, may
27 adopt rules as necessary to effectuate the intent of Sections

1 1 to 6, inclusive, and those rules shall conform to the
2 published apprenticeship guidelines in 29 CFR 20 and 30.

3 (d) The Alabama Office of Apprenticeship, with the
4 advice and consent of the Alabama Apprenticeship Council and
5 the program sponsor, may approve apprenticeship programs that
6 are mandated by state or federal law as a result of the
7 apprenticeship sponsor receiving funds or resources from the
8 state, or funds or resources from the federal government,
9 which require the creation of an apprenticeship program in
10 accordance with a federal grant administered by the state,
11 including contracts, grants, loans, tax abatements or
12 exemptions, land transfers, land disposition and development
13 agreements, tax increment financing, or any combination
14 thereof.

15 (e) The Alabama Office of Apprenticeship shall
16 establish competency based apprenticeship frameworks based on
17 the regional and statewide compendia of valuable credentials
18 created by the Alabama Workforce Council Committee on
19 Credentialing and Career Pathways. The Alabama Office of
20 Apprenticeship shall establish competency based apprenticeship
21 frameworks for each occupation listed on a regional and
22 statewide list of in-demand career pathways.

23 (f) The Alabama Office of Apprenticeship, in
24 consultation with the Governor's Office of Education and
25 Workforce Transformation, the P20W Council, the Alabama
26 Workforce Council Committee on Credentialing and Career
27 Pathways, the State Department of Education, the Alabama

1 Community College System, the Alabama Workforce Council, the
2 regional workforce councils, the State Workforce Development
3 Board, and the local workforce development boards shall
4 develop the Alabama Industry Recognized and Registered
5 Apprenticeship (AIRRAP) model that shall be aligned to the
6 regional and statewide lists of in-demand career pathways, to
7 the regional and statewide compendia of valuable credentials,
8 and to the two-pronged career pathways model created by the
9 Alabama Workforce Council Committee on Credentialing and
10 Career Pathways. The AIRRAP model shall conform to all of the
11 following parameters:

12 (1) Beginning in 9th grade, students may participate
13 in preapprenticeship programs aligned to career pathways and
14 credentials designated as valuable by the state compendium of
15 valuable credentials. During 10th, 11th, and 12th grade,
16 students may participate in youth registered apprenticeships
17 and industry recognized apprenticeship programs aligned to
18 career pathways and credentials designated as valuable by the
19 state compendium of valuable credentials. Students
20 participating in youth apprenticeships may also participate in
21 dual enrollment courses at a community college. The State
22 Department of Education and the Alabama Community College
23 System shall collaborate to streamline articulation agreements
24 among career pathways participating in the AIRRAP model to
25 ensure a seamless transition between high school and community
26 college. AIRRAP model graduates may earn a high school
27 diploma, an associate degree, industry recognized credentials,

1 and an apprenticeship credential at the time of high school
2 graduation.

3 (2) The Alabama Office of Apprenticeship and the
4 Alabama Community College System shall promote work based
5 learning for individuals who are coenrolled in adult basic
6 education programs and postsecondary career and technical
7 education programs to ensure that individuals who are
8 disengaged from the workforce are able to gain access to
9 education and training programs, with multiple points of entry
10 and exit, with a focus on targeting the underemployed,
11 historically underrepresented subgroups, the formerly
12 incarcerated, out-of-school youth, recipients of temporary
13 assistance for needy families, supplemental security income,
14 or supplemental nutritional assistance programs, the long-term
15 unemployed, those recovering from substance abuse, veterans,
16 displaced homemakers, and other special populations and
17 subgroups. The Alabama Office of Apprenticeship shall promote
18 the use of the federal workforce opportunity tax credit to
19 hire eligible AIRRAP model participants. The Alabama Office of
20 Apprenticeship shall establish an awards and recognition
21 program for employers who hire in school youth and adult
22 AIRRAP model participants.

23 Section 5. (a) The Alabama Apprenticeship Council,
24 which shall be composed of 10 ex officio members and nine
25 appointed members, representing employer and employee
26 organizations, who are familiar with apprenticeable
27 occupations, is established. The membership of the council

1 shall consist of the following ex officio members, or their
2 designees:

3 (1) The Governor.

4 (2) The Lieutenant Governor.

5 (3) The President Pro Tempore of the Senate.

6 (4) The Speaker of the House of Representatives.

7 (5) The Secretary of Commerce.

8 (6) The Secretary of Labor.

9 (7) The Chancellor of the Alabama Community College
10 System.

11 (8) The Alabama State Superintendent of Education.

12 (9) The Chair of the Alabama State Workforce
13 Development Board.

14 (10) The Executive Director of the Alabama
15 Commission on Higher Education.

16 (11) Nine members appointed by the Governor, and
17 confirmed by the Senate, for a renewable term of service. The
18 Governor shall assure that the membership of the council is
19 inclusive and reflects the racial, gender, geographic, urban,
20 rural, and economic diversity of the state. The members of the
21 council appointed pursuant to this subdivision shall satisfy
22 all of the following qualifications:

23 a. Three members shall be representatives of
24 employer organizations.

25 b. Three members shall be public representatives who
26 are members of employee or employer organizations.

1 c. Three members shall be representatives of
2 employee organizations.

3 (b) The initial term of office of the nine members
4 appointed to the council by the Governor shall be designated
5 at the time of initial appointment by the Governor as follows:

6 (1) Three members, consisting of one member
7 appointed pursuant to each of paragraphs a., b., and c. of
8 subdivision (11) of subsection (a), shall be appointed for an
9 initial term of one year. Successor members shall be appointed
10 for terms of three years.

11 (2) Three members, consisting of one member
12 appointed pursuant to each of paragraphs a., b., and c. of
13 subdivision (11) of subsection (a), shall be appointed for an
14 initial term of two years. Successor members shall be
15 appointed for terms of three years.

16 (3) Three members, consisting of one member
17 appointed pursuant to each of paragraphs a., b., and c. of
18 subdivision (11) of subsection (a), shall be appointed for an
19 initial term of three years. Successor members shall be
20 appointed for terms of three years.

21 (c) Vacancies shall be filled by appointment of the
22 Governor. The person appointed to fill a vacancy shall possess
23 the same qualifications as the original appointment and shall
24 hold office for the unexpired term and until his or her
25 successor is appointed.

1 (d) The Alabama Apprenticeship Council shall serve
2 in an advisory capacity to the Alabama Office of
3 Apprenticeship for all of the following functions:

4 (1) The approval of apprenticeship standards
5 satisfying the requirements published in 29 CFR 29.

6 (2) Ensuring compliance of equal employment
7 opportunity in apprenticeship, as defined in 29 CFR 30.

8 (3) Resolving disputes arising between the parties
9 to an apprenticeship agreement.

10 (4) Providing recommendations to deregister,
11 suspend, or cancel apprenticeship programs that are not
12 compliant with state and federal apprenticeship regulations,
13 as published in 29 CFR 29 and Article 20, commencing with
14 Section 40-18-420, of Chapter 18, Title 40, Code of Alabama
15 1975, the Apprenticeship Tax Credit Act of 2016.

16 (5) Providing community outreach and education on
17 the benefits of apprenticeship.

18 (6) Assisting in the formulation of policies that
19 concede the effective administration of apprenticeship
20 programs.

21 Section 6. (a) Nothing in Sections 1 to 6,
22 inclusive, of this act shall require nonregistered
23 preapprenticeship, youth apprenticeship, and
24 industry recognized apprenticeship sponsors, including state
25 agencies, colleges, and universities, and business and
26 industry sponsors, to certify or register those programs with
27 the Alabama Office of Apprenticeship.

1 (b) Nothing in Sections 1 to 6, inclusive, of this
2 act shall be interpreted as a mandate to encumber funds,
3 appropriated for other purposes to a state agency, college, or
4 university, or any other entity receiving state or federal
5 funds, to support apprenticeship activities.

6 (c) The Alabama Office of Apprenticeship shall
7 provide the Alabama State Apprenticeship Intermediary the
8 option to provide the required technical instruction and
9 on-the-job training for apprenticeship programs registered or
10 certified by the Alabama Office of Apprenticeship. The Alabama
11 Office of Apprenticeship shall select an alternative provider
12 of required technical instruction and on-the-job training when
13 the Alabama Apprenticeship Intermediary declines the option to
14 provide those services.

15 Section 7. Sections 40-18-422, 40-18-423, and
16 40-18-424 of the Code of Alabama 1975, are amended to read as
17 follows:

18 "§40-18-422.

19 "(a) ~~Am~~ For tax years beginning on or after January
20 1, 2017, through the tax year beginning January 1, 2019, an
21 Alabama income tax credit is hereby established allowed for
22 eligible employers that employ an apprentice for at least
23 seven full months of the prior taxable year. The credit shall
24 equal up to one thousand dollars (\$1,000) for each apprentice
25 employed, not to exceed five apprentices employed. The
26 Department of Revenue, in consultation with the Workforce
27 Development Division of the Department of Commerce, shall

1 establish a scale reflecting ranges of amounts of money an
2 employer has invested in an eligible apprentice and a
3 corresponding tax credit amount and shall award the tax credit
4 in accordance with this scale following confirmation from the
5 Workforce Development Division that the apprentice for whom
6 the credit is claimed is in compliance with all federal and
7 state requirements for the apprenticeship program. The credit
8 shall not be available for an individual apprentice for more
9 than four taxable years.

10 "(b) For tax years beginning on or after January 1,
11 2020, eligible employers that employ an apprentice for at
12 least seven full months of the prior taxable year shall
13 receive a credit equal to one thousand two hundred fifty
14 dollars (\$1,250) for each apprentice employed, not to exceed
15 10 apprentices employed. The Department of Revenue, in
16 consultation with the Workforce Development Division of the
17 Department of Commerce and the Alabama Office of
18 Apprenticeship, shall establish a scale reflecting ranges of
19 amounts of money an employer has invested in an eligible
20 apprentice and a corresponding tax credit amount and shall
21 award the tax credit in accordance with this scale following
22 confirmation from the Workforce Development Division and the
23 Alabama Office of Apprenticeship that the apprentice for whom
24 the credit is claimed is in compliance with all federal and
25 state requirements for the apprenticeship program. The credit
26 shall not be available for an individual apprentice for more
27 than four taxable years.

1 "(c) For each credit claimed for each qualified
2 apprentice under subsection (b) associated with an apprentice
3 enrolled in a secondary or postsecondary career and technical
4 education program, who is under the age of 18 at the time the
5 credit is claimed, and who is participating in a youth
6 registered or industry recognized apprenticeship program
7 registered with the Alabama Office of Apprenticeship and
8 funded through either the Carl D. Perkins Career and Technical
9 Education Act of 2006, P.L. 109-270, as revised by the
10 Strengthening Career and Technical Education for the 21st
11 Century Act, P.L. 115-224, adult basic education and literacy
12 programs funded under Title II of the Workforce Innovation and
13 Opportunity Act, P.L. 113-128, or public workforce programs
14 funded under Title I and Title III of the Workforce Innovation
15 and Opportunity Act, P.L. 113-128, may qualify for an
16 additional tax credit, not to exceed five hundred dollars
17 (\$500) to offset the costs associated with hiring each
18 apprentice who is under the age of 18, not to exceed the
19 aggregate cap of 10 apprentices hired, as provided in
20 subsection (b). An eligible employer under this subsection may
21 claim the additional tax credit described in this subsection
22 after employing an in school youth apprentice, who satisfies
23 the specifications provided in this subsection, for 90 days.

24 ~~"(b)~~ (d) The credit shall be allowed against the tax
25 imposed by Chapter 16 or Chapter 18 ~~of this title~~. This tax
26 credit shall not be allowed to decrease a taxpayer's tax
27 liability to less than zero. The credit is not refundable or

1 transferable. The credit shall be available, on a pro rata
2 basis, to the owners of qualified employers that are entities
3 taxed under subchapters S or K of the Internal Revenue Code or
4 limited liability companies or professional corporations
5 authorized to do business in this state. An employer applying
6 for a tax credit must apply each year to receive the credit
7 for the preceding calendar year.

8 ~~"(c)(e)~~ The cumulative amount of tax credits issued
9 pursuant to this article shall not exceed ~~three million~~
10 ~~dollars (\$3,000,000)~~ seven million five hundred thousand
11 dollars (\$7,500,000) annually. The Department of Revenue shall
12 ensure that this cap is not exceeded, shall prescribe the
13 various methods by which these credits are to be issued, and
14 shall develop procedures to notify taxpayers at such points in
15 time when the tax credit caps in this subsection have been
16 reached for the applicable tax credit year.

17 ~~"(d)(f)~~ If an employer employs an apprentice for
18 less than the full preceding calendar year, but for at least
19 210 days during the full preceding calendar year, then the
20 employer may apply for the full value of the credit ~~on a pro~~
21 ~~rata monthly basis beginning on the first day of the first~~
22 ~~full month of apprenticeship.~~

23 ~~"(e)(g)~~ The Department of Revenue shall prescribe a
24 form to claim this credit that provides information to the
25 department sufficient for the proper administration of the
26 credit.

1 "~~(f)~~(h) The participation of an employee with an
2 apprenticeship program under this article and registration
3 with the Alabama Office of Apprenticeship ~~of the Employment~~
4 ~~and Training Administration of the United States Department of~~
5 ~~Labor~~ shall not constitute union affiliation, unless the
6 employee expressly elects to affiliate with a union.

7 "§40-18-423.

8 "(a) The Alabama Office of Apprenticeship, under the
9 direction of the Workforce Development Division of the
10 Department of Commerce, ~~in coordination~~ with the consultation
11 of the Board of Trustees of the Alabama Community College
12 System or its designee, may adopt any rules necessary to
13 establish standards for participation and eligibility and to
14 implement and administer this article. The ~~division~~ Alabama
15 Office of Apprenticeship shall consult with the Department of
16 Revenue to coordinate implementation and administration of
17 this article.

18 "(b) The ~~division~~ Alabama Office of Apprenticeship
19 shall provide an annual report to the Chair of the House Ways
20 and Means Education Committee and the Chair of the Senate
21 Finance and Taxation Education Committee to account for the
22 effectiveness of the apprenticeship program under this
23 article.

24 "§40-18-424.

25 "The tax ~~credit~~ credits allowed under this article
26 shall be effective January 1, 2017, for the 2017 taxable year

1 and shall continue through the ~~2021~~ 2025 tax year, unless
2 extended by act of the Legislature."

3 Section 8. This act shall become effective on the
4 first day of the third month following its passage and
5 approval by the Governor, or its otherwise becoming law.