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## DIGEST

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HB 533 Original

2025 Regular Session

Carver

**Abstract:** Establishes a tax credit for the employment of eligible apprentices, interns, and youth workers.

Proposed law authorizes an income tax credit for the employment of eligible apprentices, interns, and youth workers, defined as follows:

- (1) "Eligible apprentice" means a person who either has entered into a written apprentice agreement with an employer or association of employers as part of a registered apprenticeship program provided for in present law; or is enrolled in a training program accredited by the National Center for Construction Education and Research which has no less than four levels of training and no less than 500 hours of instruction.
- (2) "Intern" means a student learner who participates in a work-based learning program authorized and regulated by the provisions of present administrative rule or any successor regulations relative to on-the-job training and related classroom instruction.
- (3) "Youth worker" means an individual who has attained the age of 15 but not yet attained the age of 24; is unemployed prior to being hired by a business that will apply for a credit authorized by proposed law; will be working in a full-time or part-time position that pays wages that are equivalent to the wages paid for similar jobs, with adjustments for experience and training; and meets at least one of several criteria related to educational attainment, household income, justice system involvement, receiving public assistance, being a parent or pregnant, veteran status, and housing status.

Proposed law establishes that for each eligible apprentice, intern, and youth worker employed for a minimum of 100 hours during the taxable period, an employer shall qualify for a credit equal to \$2.50 per hour of employment or \$2,500, whichever is less.

Proposed law limits the total amount of credits that may be granted annually pursuant to proposed law to \$7.5M. Provides, however, that in any calendar year, if the Dept. of Revenue (DOR) grants a total amount of tax credits which is less than the \$7.5M limit, then the amount of unused credits shall carry forward to subsequent calendar years and may be granted in any year without regard to the \$7.5M limit.

Proposed law prohibits granting of credits for the employment of eligible apprentices, interns, or youth workers before Jan. 1, 2026, or after Dec. 31, 2031.

Proposed law requires DOR, in consultation with the La. Workforce Commission, to establish by rule the procedures for determining an employer's eligibility for the credit. Requires the La. Workforce Commission to annually provide to DOR a list of businesses that participate in apprenticeship programs administered by the commission.

Proposed law provides that if the credit exceeds the amount of taxes due from a taxpayer for a taxable period, then any unused credit amount may be carried forward as a credit against subsequent tax liability for a period not to exceed five years. Stipulates, however, that the amount of the credit applied in a taxable period shall not exceed the amount of taxes due from the taxpayer for that period.

Proposed law authorizes DOR to recover disallowed credits in accordance with collection remedies established in present law.

Proposed law authorizes DOR to promulgate administrative rules for implementation of proposed law.

Present law establishes an apprenticeship tax credit program with characteristics similar to the program provided for in proposed law. Present law prohibits granting of apprenticeship tax credits for the employment of eligible apprentices before Jan. 1, 2022, or after Dec. 31, 2028. Proposed law changes the termination date to which apprenticeship tax credits may be earned to Dec. 31, 2025.

Present law relative to labor and employment defines the term "apprentice". Proposed law adds to this definition references to time-based program models, competency-based program models, and hybrid programs.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 23:386 and R.S. 47:6033(G); Adds R.S. 47:6003)