

2025 Regular Session

HOUSE BILL NO. 533

BY REPRESENTATIVE CARVER

TAX CREDITS: Establishes the Work-Based Learning Tax Credit for employment of apprentices, interns, and youth workers

## 1 AN ACT

2 To amend and reenact R.S. 23:386 and R.S. 47:6033(G) and to enact R.S. 47:6003, relative  
3 to tax credits; to establish a tax credit for employment of certain apprentices, interns,  
4 and youth workers; to provide for the amount of the credit; to provide for  
5 qualifications for the credit; to provide for requirements and limitations with respect  
6 to the credit; to provide for claiming of the credit; to authorize recovery of credit  
7 amounts in certain circumstances; to provide relative to apprenticeship programs of  
8 the Louisiana Workforce Commission; to limit the period in which a tax credit  
9 relative to apprenticeships may be earned; to provide for definitions; to authorize  
10 promulgation of administrative rules; to provide for applicability; to provide for an  
11 effective date; and to provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 23:386 is hereby amended and reenacted to read as follows:

14 §386. Apprentice defined

15 The term "apprentice" as used in this Chapter is defined as a worker at least  
16 sixteen years of age, except where a higher minimum age standard is otherwise fixed  
17 by law, who is employed to learn an apprenticeable occupation pursuant to the  
18 standards of apprenticeship as provided for in the Louisiana Administrative Code,  
19 Title 40, Part 9, §317 in order to fulfill the requirements of the Louisiana  
20 Administrative Code, Title 40, Part 9, §301, and who has entered into a written

1 apprentice agreement with an employer, an association of employers, or an  
2 organization of employees, providing for a time-based program model with not less  
3 than two thousand hours of reasonably continuous employment, a competency-based  
4 program model, or a hybrid program, and for participation in an approved program  
5 of training through employment and through education in related and supplemental  
6 subjects.

7 Section 2. R.S. 47:6033(G) is hereby amended and reenacted and R.S. 47:6003 is  
8 hereby enacted to read as follows:

9 §6003. Work-Based Learning Tax Credit

10 A. This Section shall be known and may be cited as the "Work-Based  
11 Learning Tax Credit Act".

12 B. The legislature hereby finds that an insufficient number of people with  
13 adequate levels of on-the-job training is an impediment to workforce development  
14 and economic growth; that well-compensated jobs would be more abundant in this  
15 state if workers overall possessed greater levels of skills and work experience; that  
16 apprenticeships and internships are integral components of work-based learning  
17 initiatives in Louisiana's school accountability system; and that, as a critical strategy  
18 for curbing out-migration, public colleges and universities of this state strive to  
19 facilitate greater student participation in work-based learning. The legislature hereby  
20 declares that establishing a tax credit which provides incentives for businesses to  
21 employ apprentices is in the best economic interest of this state.

22 C. For purposes of this Section, the following terms shall have the meanings  
23 ascribed to them in this Subsection:

24 (1) "Department" means the Department of Revenue.

25 (2) "Eligible apprentice" means a person who meets either of the following  
26 criteria:

27 (a) Has entered into a written apprentice agreement with an employer or an  
28 association of employers as part of a registered apprenticeship program provided for  
29 in R.S. 23:381 et seq.

1           (b) Is enrolled in a training program accredited by the National Center for  
2           Construction Education and Research which has no less than four levels of training  
3           and no less than five hundred hours of instruction.

4           (3) "Intern" means a student learner who participates in a work-based  
5           learning program authorized and regulated by the provisions of LAC 28: CXV.3113  
6           or any successor regulations the Board of Elementary and Secondary Education may  
7           publish relative to on-the-job training and related classroom instruction.

8           (4) "Youth worker" means an individual who has attained the age of fifteen  
9           but not yet attained the age of twenty-four; is unemployed prior to being hired by a  
10          business that will apply for a credit authorized by this Section; will be working in a  
11          full-time or part-time position that pays wages that are equivalent to the wages paid  
12          for similar jobs, with adjustments for experience and training; and meets at least one  
13          of the following criteria:

14          (a) Is at least eighteen years old, is no longer in school, and does not have  
15          a high school diploma, HiSET or GED credential or high school equivalency  
16          diploma.

17          (b) Is a member of a household that is receiving assistance from the Family  
18          Independence Temporary Assistance Program.

19          (c) Is a member of a household that is receiving benefits through the  
20          Supplemental Nutrition Assistance Program.

21          (d) Is a member of a household that is receiving assistance from the Kinship  
22          Care Subsidy Program.

23          (e) Is a member of a family that is receiving assistance or benefits under the  
24          Temporary Assistance for Needy Families Program.

25          (f) Has served time in jail or prison or is on probation or parole.

26          (g) Is pregnant or is a parent.

27          (h) Is homeless.

28          (i) Is currently or was in foster care, extended foster care, or the custody of  
29          the Department of Children and Family Services.

1           (j) Is a veteran.

2           (k) Is the child of a parent who is currently incarcerated or was released from  
3           incarceration within the past two years.

4           (l) Lives in public housing or receives housing assistance such as a Section  
5           8 voucher.

6           D.(1) There shall be allowed a credit against Louisiana income tax for the  
7           employment of eligible apprentices, interns, and youth workers. The amount of the  
8           credit for each eligible apprentice, intern, and youth worker employed for a  
9           minimum of one hundred hours during the taxable period shall equal two dollars and  
10           fifty cents per hour of employment or two thousand five hundred dollars, whichever  
11           is less. The total amount of tax credits granted pursuant to this Section shall not  
12           exceed seven million five hundred thousand dollars annually.

13           (2) The department shall establish by rule the method of allocating available  
14           tax credits to employers including but not limited to a first-come, first-served system,  
15           reservation of tax credits for a specific time, or other method that the department, in  
16           its discretion, may find beneficial to the program. If in any calendar year the  
17           department grants a total amount of tax credits that is less than the authorized limit,  
18           the amount of residual unused credits shall carry forward to subsequent calendar  
19           years and may be granted in any year without regard to the annual limit provided for  
20           in this Subsection.

21           E.(1) The department, in consultation with the Louisiana Workforce  
22           Commission, shall establish by rule the procedures for determining an employer's  
23           eligibility for the credit.

24           (2) The Louisiana Workforce Commission shall annually provide to the  
25           department a list of businesses that participate in the apprenticeship programs  
26           administered by the commission.

27           (3) In order for an employer to be eligible for a credit based upon employing  
28           a student enrolled in a training program accredited by the National Center for  
29           Construction Education and Research, that student shall have successfully completed

1       ~~no less than two levels of training and no less than two hundred fifty hours of~~  
2       ~~instruction. The department shall establish which student enrollment and transcript~~  
3       ~~data from the National Center for Construction Education and Research are~~  
4       ~~necessary in order to determine an employer's eligibility for the credit authorized by~~  
5       ~~this Section.~~

6               F.(1) The credit shall be allowed against the income tax due from a taxpayer  
7       for the taxable period in which the credit is earned. If the credit allowed pursuant to  
8       this Section exceeds the amount of taxes due from a taxpayer, then the taxpayer may  
9       carry any unused credit forward to be applied against subsequent tax liability for a  
10       period not to exceed five years. However, in no event shall the amount of the tax  
11       credit applied by a taxpayer in a taxable period exceed the amount of taxes due from  
12       the taxpayer for that period.

13               (2) All entities taxed as corporations for Louisiana income tax purposes shall  
14       claim any credit on their corporation income tax return.

15               (3) Individuals, estates, and trusts shall claim any credit on their income tax  
16       return.

17               (4) Entities not taxed as corporations shall claim their share of any credit on  
18       the returns of the partners or members as follows:

19               (a) Corporate partners or members shall claim their share of any credit on  
20       their corporation income tax returns.

21               (b) Individual partners or members shall claim their share of any credit on  
22       their individual income tax returns.

23               (c) Partners or members that are estates or trusts shall claim their share of  
24       any credit on their fiduciary income tax returns.

25               G. Credits previously granted to a taxpayer but later disallowed may be  
26       recovered by the secretary of the department through any collection remedy  
27       authorized by R.S. 47:1561.3.

28               H. The department may promulgate rules in accordance with the  
29       Administrative Procedure Act to establish the policies and criteria regarding program

eligibility and any other matter necessary to carry out the intent and purposes of this  
Section.

I. No credit shall be granted for the employment of eligible apprentices,  
interns, or youth workers before January 1, 2026, or after December 31, 2031.

\* \* \*

§6033. Apprenticeship tax credits

\* \* \*

~~G. No credit shall be granted for the employment of eligible apprentices~~  
~~before January 1, 2022, or after December 31, 2028.~~ No credit shall be earned  
pursuant to the provisions of this Section after December 31, 2025.

Section 3. The provisions of this Act shall apply to taxable periods beginning on or  
after January 1, 2026.

Section 4. This Act shall become effective on January 1, 2026.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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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 apprenticeship 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)