

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 an internship**
5 **authorized and regulated by the provisions of LAC 28:CXV.3113 or any successor**
6 **regulations the Board of Elementary and Secondary Education may publish relative**
7 **to a work-based learning program classified as an internship.**

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, per taxable period. Except as provided in Subparagraph (c) of this Paragraph,
12 the maximum amount of tax credits that may be claimed on tax returns for a taxable
13 year, referred to hereafter in this Paragraph as the "credit cap", shall be as follows:

14 (a) For the taxable year beginning January 1, 2026, and ending December
15 31, 2026, the credit cap shall be one million dollars.

16 (b) Beginning January 1, 2027, and each January first thereafter, the credit
17 cap for the taxable year shall be established in accordance with the following
18 provisions:

19 (i) If the secretary of the department determines that less than eighty percent
20 of the credit cap amount authorized for the preceding taxable year was claimed on
21 tax returns, then the credit cap for the next taxable year shall not be adjusted.

22 (ii) If the secretary of the department determines that at least eighty percent
23 of the credit cap amount authorized for the preceding taxable year was claimed on
24 tax returns, then the credit cap for the next taxable year shall be increased by one
25 million dollars.

26 (c) The credit cap for a taxable year shall not exceed seven million five
27 hundred thousand dollars.

1 (2)(a) No later than December thirty-first of each year, the secretary of the
2 department shall publish on the department's website a notice of the credit cap
3 amount authorized for the taxable year in which the notice is published. However,
4 when the credit cap for a taxable year reaches seven million five hundred thousand
5 dollars, the secretary shall no longer be required to publish notice of the credit cap
6 amount on the department's website.

7 (b) The department shall establish by rule the method of allocating available
8 tax credits to employers including but not limited to a first-come, first-served system,
9 reservation of tax credits for a specific time, or other method that the department, in
10 its discretion, may find beneficial to the program.

11 E.(1) The department, in consultation with the Louisiana Workforce
12 Commission, shall establish by rule the procedures for determining an employer's
13 eligibility for the credit relative to apprenticeship programs.

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

17 (3) In order for an employer to be eligible for a credit based upon employing
18 a student enrolled in a training program accredited by the National Center for
19 Construction Education and Research, that student shall have successfully completed
20 no less than two levels of training and no less than two hundred fifty hours of
21 instruction. The department shall establish which student enrollment and transcript
22 data from the National Center for Construction Education and Research are
23 necessary in order to determine an employer's eligibility for the credit authorized by
24 this Section.

25 F.(1) The credit shall be allowed against the income tax due from a taxpayer
26 for the taxable period in which the credit is earned. If the credit allowed pursuant to
27 this Section exceeds the amount of taxes due from a taxpayer, then the taxpayer may
28 carry any unused credit forward to be applied against subsequent tax liability for a
29 period not to exceed five years. However, in no event shall the amount of the tax

1 credit applied by a taxpayer in a taxable period exceed the amount of taxes due from
2 the taxpayer for that period.

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

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

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

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

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

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

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

18 H. The department may promulgate rules in accordance with the
19 Administrative Procedure Act to establish the policies and criteria regarding program
20 eligibility and any other matter necessary to carry out the intent and purposes of this
21 Section.

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

24 J. A taxpayer shall not receive any other incentive for the hiring of an
25 eligible youth, intern, or apprentice for which the taxpayer has received a tax credit
26 pursuant to this Section.

27 * * *

28 §6033. Apprenticeship tax credits

29 * * *

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

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

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

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)]

HB 533 Reengrossed

2025 Regular Session

Carver

Abstract: Establishes a tax credit for the employment of eligible apprentices, interns, and youth workers and limits the maximum amount of credits that may be claimed in a taxable year.

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 an internship program authorized and regulated by the provisions of present administrative rule or any successor regulations relative to a work-based learning program classified as an internship.
- (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, per taxable period.

Proposed law provides that the maximum amount of tax credits that may be claimed on tax returns for a taxable year shall be referred to as the "credit cap", and that the initial credit cap (for taxable year 2026) shall be \$1M.

Proposed law authorizes a \$1M increase in the credit cap for a taxable year if at least 80% of the credit cap amount authorized for the preceding taxable year was claimed on tax returns. Provides that the credit cap shall not be increased for a given year if less than 80% of the credit cap amount authorized for the preceding year was claimed. Limits the credit cap amount for any taxable year to \$7.5M.

Proposed law requires DOR to publish on its website a notice of the credit cap amount no later than Dec. 31st each year, but terminates this requirement when the credit cap reaches the overall limit of \$7.5M.

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 relative to apprenticeship programs. 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 prohibits granting of any other incentive for the hiring of an eligible youth, intern, or apprentice for which a taxpayer has received a tax credit pursuant to proposed 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 for earning of apprenticeship tax credits 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)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Make references to work-based learning programs, internships, and apprenticeships consistent in proposed law.

2. Require DOR, in consultation with the La. Workforce Commission, to establish procedures for determining employers' eligibility for apprenticeship-related tax credits.
3. Provide that, for purposes of proposed law, the maximum amount of tax credits that may be claimed on tax returns for a taxable year shall be referred to as the "credit cap" and that the initial credit cap (for taxable year 2026) shall be \$1M.
4. Authorize a \$1M increase in the credit cap for a taxable year if at least 80% of the credit cap amount authorized for the preceding taxable year was claimed; provide however that if less than 80% of the credit cap amount authorized for the preceding year was claimed, the credit cap is not adjusted.
5. Require DOR to publish on its website a notice of the credit cap amount each year, but terminate the requirement when the credit cap reaches the overall limit of \$7.5M.
6. Prohibit granting of any other incentive for job creation or the hiring of an eligible youth, intern, or apprentice for which a taxpayer has received a tax credit pursuant to proposed law.

The Committee Amendments Proposed by House Committee on Appropriations to the engrossed bill:

1. Specify that the maximum per-taxpayer amount of the credit applies per taxable period.
2. Delete proposed law authorizing the carry-forward of residual, unused credit amounts and granting of those amounts in subsequent years.
3. Remove limitation for a taxpayer to receive the tax credit in addition to other incentives for job creation.