ASSEMBLY BILL No. 1569

Introduced by Assembly Member Rodriguez

January 30, 2014

An act to add and repeal Sections 17053.10 and 23667 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1569, as introduced, Rodriguez. Income taxes: credits: apprenticeships.

The Personal Income Tax Law and the Corporation Tax Law allow various credits against the taxes imposed by those laws. Existing law provides for the establishment of apprenticeship programs in various trades, to be approved by the Chief of the Division of Industrial Relations in any trade in the state or in a city or trade area whenever the apprentice training needs justify the establishment.

This bill, for taxable years beginning on or after January 1, 2016, and before January 1, 2020, would allow a credit against the taxes imposed under those tax laws in an amount equal to $2,000 for each registered apprentice, as defined, trained by the taxpayer in the taxable year.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 17053.10 is added to the Revenue and Taxation Code, to read:

17053.10. (a) For each taxable year beginning on or after January 1, 2016, and before January 1, 2020, there shall be allowed as a credit against the "net tax," as defined in Section 17039, in an amount equal to two thousand dollars ($2,000) for each registered apprentice trained by the taxpayer in the taxable year.

(b) For purposes of this section, "registered apprentice" means a person who meets all of the following requirements:

(1) Is 16 years of age or older, but under 25 years of age.

(2) Has not obtained a high school diploma, and is enrolled in high school or a General Education Development test preparation program.

(3) Is trained by the taxpayer through an apprenticeship program that meets all of the following requirements:

(A) The apprenticeship program is approved by the Chief of the Division of Apprenticeship Standards pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(B) The program is provided pursuant to an apprenticeship agreement as described in Section 3077 of the Labor Code.

(C) The minimum term in hours for the program is 4,000 hours.

(c) Upon request of the Franchise Tax Board, the taxpayer shall provide a copy of the apprenticeship agreement to the Franchise Tax Board.

(d) In the case where the credit allowed by this section exceeds the "net tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding four years, if necessary, until the credit is exhausted.

(e) The Franchise Tax Board may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section.

(f) This section shall remain in effect only until December 1, 2020, and as of that date is repealed.

SEC. 2. Section 23667 is added to the Revenue and Taxation Code, to read:

23667. (a) For each taxable year beginning on or after January 1, 2016, and before January 1, 2020, there shall be allowed as a credit against the "tax," as defined in Section 23036, in an amount equal to two thousand dollars ($2,000) for each registered apprentice trained by the taxpayer in the taxable year.

(b) For purposes of this section, "registered apprentice" means a person who meets all of the following requirements:

(1) Is 16 years of age or older, but under 25 years of age.

(2) Has not obtained a high school diploma, and is enrolled in high school or a General Education Development test preparation program.

(3) Is trained by the taxpayer through an apprenticeship program that meets all of the following requirements:

(A) The apprenticeship program is approved by the Chief of the Division of Apprenticeship Standards pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(B) The program is provided pursuant to an apprenticeship agreement as described in Section 3077 of the Labor Code.

(C) The minimum term in hours for the program is 4,000 hours.

(c) Upon request of the Franchise Tax Board, the taxpayer shall provide a copy of the apprenticeship agreement to the Franchise Tax Board.

(d) In the case where the credit allowed by this section exceeds the "tax," the excess may be carried over to reduce the "net tax" in the following year, and succeeding four years, if necessary, until the credit is exhausted.

(e) The Franchise Tax Board may prescribe rules, guidelines, or procedures necessary or appropriate to carry out the purposes of this section.

(f) This section shall remain in effect only until December 1, 2020, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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