



Senate

General Assembly

File No. 712

January Session, 2013

Substitute Senate Bill No. 1079

Senate, May 6, 2013

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT INCREASING THE MANUFACTURING APPRENTICESHIP TAX CREDIT.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 12-217g of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2015, and applicable to income years commencing on or after January 1,*
4 *2015*):

5 (a) There shall be allowed a credit for any taxpayer against the tax
6 imposed under this chapter for any income year with respect to each
7 apprenticeship in the manufacturing trades commenced by such
8 taxpayer in such year under a qualified apprenticeship training
9 program as described in this section, certified in accordance with
10 regulations adopted by the Labor Commissioner and registered with
11 the Connecticut State Apprenticeship Council established under
12 section 31-22n, in an amount equal to [four] six dollars per hour
13 multiplied by the total number of hours worked during the income

14 year by apprentices in the first half of a two-year term of
 15 apprenticeship and the first three-quarters of a four-year term of
 16 apprenticeship, provided the amount of credit allowed for any income
 17 year with respect to each such apprenticeship may not exceed [four
 18 thousand eight hundred] seven thousand five hundred dollars or fifty
 19 per cent of actual wages paid in such income year to an apprentice in
 20 the first half of a two-year term of apprenticeship or in the first three-
 21 quarters of a four-year term of apprenticeship, whichever is less.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2015, and applicable to income years commencing on or after January 1, 2015</i>	12-217g(a)

CE Joint Favorable Subst. C/R FIN

FIN Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 14 \$	FY 15 \$
Department of Revenue Services	GF - Revenue Loss	None	None

Municipal Impact: None

Explanation

The bill, which increases the maximum amount for the Manufacturing Apprenticeship Tax Credit, results in a revenue loss of approximately \$650,000 annually beginning in FY 16.

The Out Years

State Impact:

Agency Affected	Fund-Effect	FY 16 \$	FY 17 \$	FY 18 \$
Department of Revenue Services	GF - Revenue Loss	650,000	650,000	650,000

Municipal Impact: None

Sources: Department of Revenue Services Fiscal Year 2011-2012 Annual Report

OLR Bill Analysis**sSB 1079*****AN ACT INCREASING THE MANUFACTURING APPRENTICESHIP TAX CREDIT.*****SUMMARY:**

This bill (1) increases, from \$4.00 to \$6.00 per hour, the corporation business tax credit for hiring apprentices in the manufacturing trades and (2) raises the annual cap on the total amount of credit a business can claim for this purpose, from \$4,800 or 50% of the actual apprentice wages, to \$7,500 or 50% of such wages.

By law, unchanged by the bill, the period for claiming the credit depends on whether the apprenticeship is for two or four years. The period is the first year for two-year apprenticeship programs and three years for four-year programs. Such programs must be certified by the labor commissioner and registered with the Connecticut State Apprenticeship Council.

EFFECTIVE DATE: July 1, 2015 and applicable to income years beginning on or after January 1, 2015.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Substitute Change of Reference
Yea 19 Nay 0 (03/26/2013)

Finance, Revenue and Bonding Committee

Joint Favorable Substitute
Yea 48 Nay 0 (04/19/2013)