



General Assembly

**Substitute Bill No. 98**

February Session, 2022



**AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP TAX CREDIT TO PASS-THROUGH ENTITIES.**

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

1 Section 1. Section 12-217g of the 2022 supplement to the general  
2 statutes is repealed and the following is substituted in lieu thereof  
3 (*Effective July 1, 2022, and applicable to income or taxable years commencing*  
4 *on or after January 1, 2022*):

5 (a) (1) There shall be allowed a credit for any taxpayer against the tax  
6 imposed under this chapter, chapter 228z or chapter 229, other than the  
7 liability imposed by section 12-707, for any income or taxable year with  
8 respect to each apprenticeship in the manufacturing trades commenced  
9 by such taxpayer in such year under a qualified apprenticeship training  
10 program as described in subsection (d) of this section, certified in  
11 accordance with regulations adopted in accordance with the provisions  
12 of chapter 54 by the Labor Commissioner and registered with the  
13 Connecticut State Apprenticeship Council established under section 31-  
14 22n, in an amount equal to six dollars per hour multiplied by the total  
15 number of hours worked during the income or taxable year by  
16 apprentices in the first half of a two-year term of apprenticeship and the  
17 first three-quarters of a four-year term of apprenticeship, provided the  
18 amount of credit allowed for any income or taxable year with respect to  
19 each such apprenticeship may not exceed seven thousand five hundred

20 dollars or fifty per cent of actual wages paid in such [income] year to an  
21 apprentice in the first half of a two-year term of apprenticeship or in the  
22 first three-quarters of a four-year term of apprenticeship, whichever is  
23 less. [(2) Effective for] For income or taxable years commencing on [and]  
24 or after January 1, 2015, for purposes of this subsection, "taxpayer"  
25 includes an affected business entity, as defined in section 12-284b. [Any]

26 (2) (A) For taxable years commencing on or after January 1, 2015, but  
27 prior to January 1 2022, any affected business entity allowed a credit  
28 under this subsection may sell, assign or otherwise transfer such credit,  
29 in whole or in part, to one or more taxpayers to offset any state tax due  
30 or otherwise payable by such taxpayers under this chapter, or, with  
31 respect to [income] taxable years commencing on or after January 1,  
32 2016, but prior to January 1, 2022, chapter 212 or 227, provided such  
33 credit may be sold, assigned or otherwise transferred, in whole or in  
34 part, not more than three times.

35 (B) For taxable years commencing on or after January 1, 2022, (i) if a  
36 taxpayer is an S corporation or an entity that is treated as a partnership  
37 for federal income tax purposes, the shareholders or partners of such  
38 taxpayer may claim the credit under this subsection, and (ii) if a  
39 taxpayer is a single member limited liability company that is  
40 disregarded as an entity separate from its owner, the limited liability  
41 company's owner may claim the credit under this subsection.

42 (b) There shall be allowed a credit for any taxpayer against the tax  
43 imposed under this chapter for any income year with respect to each  
44 apprenticeship in plastics and plastics-related trades commenced by  
45 such taxpayer in such year under a qualified apprenticeship training  
46 program as described in subsection (d) of this section, certified in  
47 accordance with regulations adopted in accordance with the provisions  
48 of chapter 54 by the Labor Commissioner and registered with the  
49 Connecticut State Apprenticeship Council established under section 31-  
50 22n, which apprenticeship exceeds the average number of such  
51 apprenticeships begun by such taxpayer during the five income years  
52 immediately preceding the income year with respect to which such

53 credit is allowed, in an amount equal to four dollars per hour multiplied  
54 by the total number of hours worked during the income year by  
55 apprentices in the first half of a two-year term of apprenticeship and the  
56 first three-quarters of a four-year term of apprenticeship, provided the  
57 amount of credit allowed for any income year with respect to each such  
58 apprenticeship may not exceed four thousand eight hundred dollars or  
59 fifty per cent of actual wages paid in such income year to an apprentice  
60 in the first half of a two-year term of apprenticeship or in the first three-  
61 quarters of a four-year term of apprenticeship, whichever is less.

62 (c) There shall be allowed a credit for any taxpayer against the tax  
63 imposed under this chapter for any income year with respect to wages  
64 paid to apprentices in the construction trades by such taxpayer in such  
65 year that the apprentice and taxpayer participate in a qualified  
66 apprenticeship training program, as described in subsection (d) of this  
67 section, which (1) is at least four years in duration, (2) is certified in  
68 accordance with regulations adopted in accordance with the provisions  
69 of chapter 54 by the Labor Commissioner, and (3) is registered with the  
70 Connecticut State Apprenticeship Council established under section 31-  
71 22n. The tax credit shall be (A) in an amount equal to two dollars per  
72 hour multiplied by the total number of hours completed by each  
73 apprentice toward completion of such program, and (B) awarded upon  
74 completion and notification of completion of such program in the  
75 income year in which such completion and notification occur, provided  
76 the amount of credit allowed for such income year with respect to each  
77 such apprentice may not exceed four thousand dollars or fifty per cent  
78 of actual wages paid over the first four income years for such  
79 apprenticeship, whichever is less.

80 (d) For purposes of this section, a qualified apprenticeship training  
81 program shall require at least four thousand but not more than eight  
82 thousand hours of apprenticeship training for certification of such  
83 apprenticeship by the Connecticut State Apprenticeship Council. The  
84 amount of credit allowed any taxpayer under this section for any  
85 income or taxable year may not exceed the amount of tax due from such

