

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1492

Amendment Number: H1

Bill Subtitle: TO AMEND THE INCOME TAX CREDIT FOR YOUTH APPRENTICESHIP PROGRAMS; AND TO INCREASE THE INCOME TAX CREDIT ALLOWED FOR YOUTH APPRENTICESHIP PROGRAMS.

Basic Change :

Sponsors: Rep. Lundstrum and Sen. J. English

HB1492-H1 (engrossed H2/28/23) amends § 26-51-509 to increase the amount of the income tax credit available for an apprenticeship program. Under current law, a taxpayer who employs a qualifying apprentice is allowed an income tax credit relative to the wages earned by the apprentice. Currently, a taxpayer is allowed an income tax credit of \$2,000 or 10% of the wages earned by each apprentice, whichever is less. A taxpayer may not claim more than \$10,000 in credits under the apprenticeship program. HB1492 increases the amount of the tax credit to \$3,500 or 15% of the wages earned by each apprentice, up to a maximum of \$15,000 per taxpayer.

The apprenticeship program tax credit may not exceed a taxpayer's income tax liability. Any unused portion of the tax credit may be carried forward for two years.

HB1492 is effective for tax years beginning on or after January 1, 2023.

Revenue Impact :

FY2024 - \$59,339 General Revenue Reduction

Taxpayer Impact :

A taxpayer who employees a qualifying apprentice will receive an increased tax credit of the lesser of \$3,500 or 15% of wages earned by the apprentice, not to exceed \$15,000 per taxpayer.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Income tax instructions and forms will need to be updated. Department employees and the tax community will need to be educated on the changes to the credit.

Other Comments :

On 2021 tax returns, \$39,559 in income tax credits were claimed.

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Legal Analysis :

None.