

ASSEMBLY, No. 1639

STATE OF NEW JERSEY 219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

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District 8 (Atlantic, Burlington and Camden)

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SYNOPSIS

Provides corporation business tax and gross income tax credits for businesses that employ apprentices in DOL registered apprenticeships.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



(Sponsorship Updated As Of: 2/13/2020)

1 AN ACT providing corporation business tax and gross income tax
2 credits for businesses that employ certain apprentices,
3 supplementing P.L.1945, c.162 (C.54:10A-1 et seq.) and Title
4 54A of the New Jersey Statutes.

5

6 **BE IT ENACTED** *by the Senate and General Assembly of the State*
7 *of New Jersey:*

8

9 1. a. For privilege periods beginning on or after January 1,
10 2015, a taxpayer shall be allowed a credit against the tax due
11 pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for a
12 privilege period in an amount of \$1,000 for each apprentice
13 employed pursuant to a registered apprenticeship with the Office of
14 Apprenticeship of the Employment and Training Administration of
15 the United States Department of Labor. For the taxpayer to claim
16 the credit for a particular apprentice, that apprentice shall have been
17 employed by the taxpayer for at least seven months of the privilege
18 period. The credit for employment of a particular apprentice may
19 not be taken for employment in more than four privilege periods.

20 b. The order of priority of the application of the credit allowed
21 pursuant to this section and any other credits allowed against the tax
22 imposed pursuant to section 5 of P.L.1945, c.162 (C.54:10A-5) for
23 a privilege period shall be as prescribed by the director.

24 The amount of the credit applied pursuant to this section against
25 the tax imposed pursuant to section 5 of P.L.1945, c.162
26 (C.54:10A-5), shall not reduce a taxpayer's tax liability to an
27 amount less than the statutory minimum provided in subsection (e)
28 of section 5 of P.L.1945, c.162 (C.54:10A-5).

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30 2. a. For taxable years beginning on or after January 1, 2015, a
31 taxpayer shall be allowed a credit against the New Jersey gross
32 income tax due pursuant to N.J.S.54A:1-1 et seq. in an amount of
33 \$1,000 for each apprentice employed pursuant to a registered
34 apprenticeship with the Office of Apprenticeship of the
35 Employment and Training Administration of the United States
36 Department of Labor. For the taxpayer to take the credit for a
37 particular apprentice, that apprentice shall have been employed by
38 the taxpayer for at least seven months of the taxable year. The
39 credit for employment of a particular apprentice may not be taken
40 for employment in more than four taxable years.

41 b. The order of priority of the application of the credit allowed
42 pursuant to this section and any other credits allowed against the
43 New Jersey gross income tax due pursuant to N.J.S.54A:1-1 et seq.
44 for a taxable year shall be as prescribed by the director.

45 The amount of the credit applied against the New Jersey gross
46 income tax due pursuant to N.J.S.54A:1-1 et seq. shall not reduce a
47 taxpayer's New Jersey gross income tax liability to an amount less
48 than zero.

1 3. This act shall take effect immediately and apply to privilege
2 periods and taxable years beginning on or after January 1, 2015.

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STATEMENT

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7 This bill provides businesses with a credit against the
8 corporation business tax or the gross income tax for each employee
9 of the business employed pursuant to an apprenticeship registered
10 with the United States Department of Labor (DOL). The bill gives
11 businesses a credit of \$1,000 for each apprentice employed for
12 seven months or more during the taxable year. An employer may
13 take the credit for a particular apprentice for a maximum of four
14 taxable years of the apprentice's employment.

15 The purpose of the tax credit is to encourage employers to add
16 highly skilled workers to New Jersey's workforce. The DOL
17 registered apprenticeship system combines technical instruction
18 with structured on-the-job experience to match individuals with
19 employers in need of qualified, skilled workers. The range of
20 occupations represented in the DOL registered apprenticeship
21 system is vast, and includes traditional industries, such as
22 construction and manufacturing, as well as emerging fields, such as
23 healthcare and energy.

24 The bill allows the credits for tax years beginning on or after
25 January 1, 2015. The credits are nonrefundable.