

# APPRENTICESHIP TAX CREDIT

## ABOUT THE PROGRAM

An employer is allowed up to a \$1250 income tax credit for each qualifying apprentice.

An employer can claim a tax credit for up to ten (10) apprentices annually.

Employers can earn an additional \$500 tax credit for each apprentice under the age of 18 for 90 days of their seven-month employment.

The credit can be applied against any income tax or financial institution excise tax imposed under Chapters 16 or 18 of Title 40. The income tax credit is not refundable, none transferable, and cannot be carried forward.

The credit cannot be claimed for an individual apprentice for more than four taxable years, regardless of employer. If applicable, the Alabama Office of Apprenticeship can verify previous credit with another employer.

## ELIGIBILITY

Add apprentices on or after January 1, 2017.

Have a written Employer Apprenticeship Agreement with the office of apprenticeship.

Employ apprentice for at least seven (7) full months of the calendar year for which the credit is being claimed.

Submit all required paperwork to the Alabama Office of Apprenticeship, including a copy of Apprenticeship Agreement (Appendix B) for each registered apprentice.

Receive "Apprenticeship Tax Credit Certificate" from the Alabama Office of Apprenticeship confirming that the apprentice is in compliance with all federal and state requirements for the program and signifying to the employer that their eligibility for the credit has been transmitted to the Alabama Department of Revenue.