

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 292
Version: First engrossment

DATE: March 25, 2013

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Subject: Job training cost reimbursement/tax credit

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Section

- 1** **Definitions.** Defines terms used in the bill. “New job” means a job provided by a new or expanding business located outside of the metropolitan area, which provides 32 hours of work each week for at least nine months (and is a permanent job). New jobs do not include those for which an employee was formerly hired or replacement workers. “Program services” means training and education specifically for new jobs that are determined appropriate by the commissioner. Services may include in house training, training provided by higher education institutions, services provided by federal, state or local agencies or private training or education services. “Disability” is defined by reference to federal law.
- 2** **Commissioner’s duties and powers; agreements.** Authorizes the commissioner of employment and economic development to enter into agreements with employers. Agreements may provide for on the job training costs not to exceed 50 percent of the annual gross wages and salaries of the new jobs in the training period or the first 18 months. Employees must be paid at least \$13 per hour, plus benefits, by the end of the first full year of employment. Employers may choose between having program costs reimbursed through a grant from the commissioner or through a tax credit. Grant maximums may not exceed 90 percent of the amount of an applicable tax credit. The maximum tax credit or grant is increased by \$1,000 for persons with disabilities. Grants or tax credits are allocated on a first-come first-served basis.
- 3** **Jobs tax credit.** Authorizes employers to choose cost reimbursement through a tax credit (rather than reimbursement through a grant) based on the wages paid and employer withholding taxes. Costs reimbursed through the tax credit cannot exceed the amount of tax withholding for an employee.

Section

- 4** **Program funding; appropriation.** Appropriates \$10 million beginning in fiscal year 2014.
- 5** **Funding limit; report; expiration.** Limits the size of the program to \$10 million. Requires a report to the legislature by February 1, 2016. Sunsets the commissioner's authority to enter into agreement under the program as of June 30, 2018.