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Overview

Authorizes a one-year pilot program in school year 2018-2019 for high school apprenticeships coordinated with career and technical education classes. High school apprentices would not be paid but would receive academic credit for their apprenticeship. Provides a refundable income tax credit for participating employers of up to \$2,000 per apprentice. The pilot program would operate in ten high schools, including at least three in greater Minnesota, three in Minneapolis or St. Paul, and three in the suburban metro area. Each high school would allocate up to \$100,000 in credits to participating employers.

Section

1 High school apprenticeship pilot program.

Subd. 1. Definitions. Defines terms for use in this program.

- ▶ “Commissioner” is the commissioner of revenue.
- ▶ “Eligible student” is a high school student age 16 or older.
- ▶ “Employer” means a taxpayer with employees in Minnesota.
- ▶ “Greater Minnesota” means all counties other than the seven metro counties.

Subd. 2. Program established. Requires the commissioner to administer a high school apprenticeship pilot program in school year 2018-2019 at ten high schools, with

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at least three schools each in Minneapolis or St. Paul, greater Minnesota, and the metro area other than Minneapolis and St. Paul.

Subd. 3. Program components. Requires students to be enrolled in a career and technical education class related to the apprenticeship. Requires high schools and employers to enter into written agreements. The agreements must specify the beginning and ending dates of each apprenticeship, which must last at least eight weeks at an average of ten hours per week, be eligible for academic credit, and be concurrent with a career and technical education class. The agreement must also specify that the apprentice would not have been offered an apprenticeship without the credit and does not replace existing employees, and certify that the employer intends to comply with all applicable federal and state child labor laws, including U.S. Labor Department guidance on unpaid internships. The agreements must certify a credit amount to the employer, not to exceed \$2,000 per apprentice, and specify the amount of credit for calendar year 2018 and calendar year 2019. The agreement may be revised to transfer unused 2018 amounts to 2019. Requires annual reports to the commissioner from institutions and employers.

Subd. 4. Credit allocations. Authorizes the commissioner to allocate \$100,000 in credits to each of the ten participating high schools. High schools must apply to participate and provide information on the career and technical classes that would be part of the program, as well as the level of employer interest. The commissioner must begin accepting applications on November 1, 2017, and must select high schools on a first-come, first-served basis by December 31, 2017, subject to the geographic requirements in subdivision 2. The commissioner may reject applications that fail to identify classes that would be part of the internship or employer interest in participating.

Subd. 5. Credit allowed. Allows employers to claim a refundable income tax credit for amounts certified in the agreement with the high school. The credits are allowed in the taxable year in which each apprentice completes the internship (calendar years 2018 or 2019).

Subd. 6. Reports to the legislature. Requires the Department of Revenue to submit a report to the legislature by February 1, 2020. The report must include information on the number and dollar amount of credits provided, the number of apprenticeships, the cost of administering the program, and an effectiveness analysis.

Effective date: Effective following final enactment with credits allowed in tax years 2018 and 2019.