

**HOUSE BILL NO. 1383**

Introduced by

Representatives Boschee, Bosch, Finley-DeVill, Hagert, Ista, Nathe, Schreiber-Beck,  
Steiner

Senators Kannianen, Patten, Piepkorn, Rummel

1 A BILL for an Act to create and enact a new section to chapter 57-38 and a new subdivision to  
2 subsection 7 of section 57-38-30.3 of the North Dakota Century Code, relating to the provision  
3 of an income tax credit for qualified compensation paid to an apprentice; and to provide an  
4 effective date.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 57-38 of the North Dakota Century Code is created  
7 and enacted as follows:

8 **Apprenticeship tax credit.**

- 9 1. A taxpayer is entitled to a credit as determined under this section against the income  
10 tax liability under section 57-38-30 or 57-38-30.3 for qualified compensation paid to an  
11 apprentice employed in this state by the taxpayer.
- 12 2. To qualify for the credit under this section, a taxpayer shall:
- 13 a. Directly employ, supervise, and evaluate a qualified apprentice in an  
14 apprenticeship position located in this state.
- 15 b. Obtain a certification from the United States department of labor, bureau of  
16 apprenticeship and training, stating the taxpayer has met all the requirements  
17 and qualifications of the apprenticeship program as provided in title 29, Code of  
18 Federal Regulations, subtitle a, part 29. The taxpayer shall submit to the tax  
19 commissioner proof of certification under this subdivision and any other  
20 information prescribed by the tax commissioner.
- 21 3. Subject to the limitations provided in this subsection, the amount of the credit to which  
22 a taxpayer is entitled is ten percent of the stipend or salary paid to an apprentice  
23 employed by the taxpayer.

- 1           a. The aggregate amount of credits allowed to a taxpayer under this section may  
2                 not exceed three thousand dollars in total credits for all taxable years combined.  
3           b. The tax credit under this section applies to a stipend or salary for not more than  
4                 five apprentices employed by the taxpayer at the same time.  
5           c. The credit allowed under this section may not exceed a taxpayer's liability for tax  
6                 under this chapter. Any credit amount exceeding a taxpayer's liability for the  
7                 taxable year may not be claimed as a carryback or carryforward.  
8       4. A passthrough entity entitled to the credit under this section must be considered to be  
9                 the taxpayer for purposes of this section and the amount of the credit allowed must be  
10                determined at the passthrough entity level. The amount of the total credit determined  
11                at the passthrough entity level must be allowed to the partners, shareholders, or  
12                members in proportion to their respective interests in the passthrough entity.  
13       5. The tax commissioner shall prescribe, design, and make available all forms necessary  
14                to effectuate this section.

15           **SECTION 2.** A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota  
16 Century Code is created and enacted as follows:

17                         Apprenticeship tax credit under section 1 of this Act.

18           **SECTION 3. EFFECTIVE DATE.** This Act is effective for taxable years beginning after  
19 December 31, 2022.