

INCENTIVES FOSTERING EMPLOYEE TRAINING, RECRUITMENT, AND INTERNSHIP PROGRAMS - MULTISTATE SURVEY

This memorandum was requested to provide information on the availability of incentives in other states which are similar to the new jobs credit from income tax withholding provided in North Dakota Century Code Section 52-02.1-03, the internship program credit provided in Section 57-38-01.24, and the workforce recruitment credit provided in Section 57-38-01.25. The following table provides an overview of each incentive including the name of the incentive, the agency administering the incentive, a brief description of the incentive, and the statutory citation.

State	Incentive Title	Administering Agency	Description	Statutory Citation
Arkansas	Youth Apprenticeship Training Program	Arkansas Department of Career Education	A taxpayer that trains a youth apprentice in a registered youth apprenticeship program may receive a credit against income tax liability. The amount of the credit is equal to \$2,000 or 10 percent of the wages earned by the youth apprentice, whichever is less. Any credit amount exceeding a taxpayer's liability may be carried forward for up to two taxable years.	Arkansas Code Annotated Section 26-51-509
Arkansas	Youth Apprenticeship/ Work-Based Learning Program	Arkansas Department of Workforce Education	A taxpayer that trains a youth apprentice in an approved apprenticeship work-based learning program in an occupation not eligible under the Youth Apprenticeship Training Program may receive a credit against income tax liability. The amount of the credit is equal to \$2,000 or 10 percent of the wages earned by the youth apprentice, whichever is less. Any credit amount exceeding a taxpayer's liability may be carried forward for up to two taxable years.	Arkansas Code Annotated Section 26-51-1601
Colorado	Job Growth Incentive Tax Credit	Colorado Office of Economic Development and International Trade	A business that undertakes a job creation project for which Colorado is competing with at least one other state may qualify for a credit against income tax liability. To qualify for the credit, a business must create at least 20 new jobs in Colorado with an average yearly wage of at least 100 percent of the county average wage rate in the county in which the business is located. A business located in an Enhanced Rural Enterprise Zone is required to create five new jobs with an average yearly wage of at least 100 percent of the county average wage. New jobs must be maintained for at least one year from the date of hire to qualify. The amount of the credit is equal to 50 percent of the Federal Insurance Contributions Act taxes paid by the business on the new job growth each calendar year for a period of 96 consecutive months.	Colorado Revised Statutes Annotated Section 39-22-531
Connecticut	Human Capital Investment Tax Credit	Connecticut Department of Revenue Services	A corporation may qualify for a credit against corporation business tax liability for expenses incurred for certain types of human capital investments. Qualifying investments include investments in in-state job training for Connecticut employees, work education programs, in-state training provided by institutions of higher learning, donations or capital contributions to institutions of higher learning in Connecticut for improvements or advancements of technology. The amount of the credit is equal to 5 percent of the amount incurred by the corporation in any income year commencing on or after January 1, 2000. Any credit amount exceeding a taxpayer's liability may be carried forward for up to five taxable years.	Connecticut General Statutes Annotated Section 12-217x
Connecticut	Manufacturing Apprenticeship Tax Credit	Connecticut Department of Labor	A taxpayer that employs an apprentice in a manufacturing, construction, or plastics-related trade may claim a credit against corporation business tax liability. The amount of the credit for apprentices in a manufacturing trade is equal to \$6 per hour multiplied by the total number of hours worked during the income year by apprentices in the first year of a two-year apprenticeship and the first three quarters of a four-year apprenticeship. The credit may not exceed a maximum amount of \$7,500 or 50 percent of actual wages for each apprentice, whichever is less. The amount of the credit for apprentices in a plastics-related trade is equal to \$4 per hour multiplied by the total number of hours worked during the income year by apprentices in the first year of a two-year apprenticeship and the first three quarters of a four-year apprenticeship. The credit may not	Connecticut General Statutes Annotated Section 12-217g

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			exceed a maximum amount of \$4,800 or 50 percent of actual wages for each apprentice, whichever is less. The amount of the credit for apprentices in a construction trade is equal to \$2 per hour multiplied by the total number of hours completed by each apprentice. The credit may not exceed \$4,000 or 50 percent of actual wages paid over the first four income years for each apprentice, whichever is less. A qualifying apprenticeship training program must be at least 4,000 hours but not more than 8,000 hours and must employ apprentices on a full-time basis. A taxpayer entitled to a credit may sell, assign, or transfer the credit to one or more taxpayers up to three times.	
Delaware	Business Finder's Fee Tax Credit	Delaware Economic Development Office	A business that recruits a new company to Delaware may receive a credit against income tax liability. The amount of the credit is equal to \$500 per year for three years for every new full-time job created and may be claimed by the business that recruited the new company and by the new company. The maximum credit amount that may be awarded in any fiscal year is \$3 million. Any taxpayers that qualify for the credit after the cap is reached may carry the credit amount forward to the next fiscal year and receive priority consideration for the following year's \$3 million of available tax credits.	Delaware Code Annotated, Title 30, Section 2090 through 2097
Georgia	Qualify Jobs Tax Credit	Georgia Department of Revenue	A company may receive a credit against corporate income tax liability by creating and maintaining at least 50 new jobs during a 12-month period which pay at least 110 percent of the county's average wage. The amount of the credit ranges from \$2,500 to \$5,000 per job, per year, for up to five years depending on the amount by which the wage exceeds the county's average wage. A company may apply the credit to offset up to 100 percent of corporate income tax liability and may apply any remaining credit to offset the company's state payroll withholding. Any credit amount exceeding a taxpayer's liability may be carried forward for up to 10 taxable years.	Georgia Code Annotated Section 48-7-40.17
Georgia	Retraining Tax Credit	Georgia Department of Revenue	A Georgia company may receive a corporate income tax credit for a portion of costs incurred for employee retraining programs. Eligible programs must be approved by the Technical College System of Georgia and must provide training in quality and productivity enhancements or in certain software technologies. The amount of the credit is equal to 50 percent of the employer's direct costs, up to a maximum of \$500 per employee for each retraining program per year. The total amount of the credit claimed for one employee cannot exceed \$1,250 per year. A taxpayer may apply the credit to offset a maximum of 50 percent of corporate income tax liability per taxable year. Any credit amount exceeding 50 percent of a taxpayer's liability may be carried forward for up to 10 taxable years.	Georgia Code Annotated Section 48-7-40.5
Iowa	New Jobs Credit from Withholding	Iowa Economic Development Authority	A company that has entered a New Jobs Training Agreement and expands its Iowa employment base by 10 percent or more is eligible for a new jobs credit from withholding based on the wages paid to new employees. The amount of the credit is equal to one-half of one percent of the gross wages paid by the employer to each employee participating in a project. The employer is required to remit the amount of the credit into a special fund to pay the principal and interest related to the training project. Credits to the employer cease upon full payment of principal and interest. An employee participating in a project receives full credit for the amount withheld.	Iowa Code Annotated Section 260E.5
Kansas	High Performance Incentive Program	Kansas Department of Commerce	Any company that pays above average wages and makes significant investments in employee training may receive an investment tax credit for new capital investments. The amount of the credit is equal to 10 percent of the company's eligible capital investments that exceed \$50,000 and a dollar-for-dollar credit for any amount expended for training and education, up to a maximum amount of \$50,000. Any credit amount related to expenditures for capital investments which exceeds a company's tax liability may be carried forward for up to 16 taxable years.	Kansas Statutes Annotated Section 79-32,160a

State	Incentive Title	Administering Agency	Description	Statutory Citation
Kentucky	Skills Training Investment Tax Credit	Bluegrass State Skills Corporation	A company that provides training to eligible employees may qualify for a credit against income tax for a portion of training costs. An eligible employee must be a full-time employee and must be paid at least \$10.88 per hour plus benefits. Eligible training includes in-house training, training provided by a consultant, and training provided by an educational institution. The amount of the credit is equal to 50 percent of all eligible training costs, up to a maximum of \$500 per employee and \$100,000 per individual company during each two-year state biennium funding period. A maximum of \$2.5 million in credits may be awarded to all applicants in each state fiscal year.	Kentucky Revised Statutes Annotated Section 154.12-2086
Minnesota	Greater Minnesota Internship Tax Credit Program	Minnesota Department of Revenue	An employer may claim a credit against income and franchise tax liability of up to \$2,000 for each internship provided to an eligible student in Minnesota. An eligible student must attend a participating college or university and have completed 50 percent of the credits required to complete the program. An employer must enter an agreement with a participating college to employ an eligible student intern. Any credit amount that exceeds a taxpayer's liability may be refunded to the taxpayer.	Minnesota Statutes Annotated Section 290.06
Oklahoma	21 st Century Qualify Jobs	Oklahoma Department of Commerce	Businesses that create up to 10 jobs with an average annualized wage that equals or exceeds 300 percent of the average county wage for the county in which the applicant is located may receive quarterly incentive payments of up to 10 percent of payroll for up to 10 taxable years.	Oklahoma Statutes Annotated, Title 68, Section 3913 through 3914
Rhode Island	Employer's Apprenticeship Tax Credit	Rhode Island Department of Labor and Training	An employer that hires an apprentice as a machine toolmaker, machinist, model maker, gage maker, pattern maker, plastic process technician, tool and machine setter, diesinker, moldmaker, or similar occupation may be eligible for a credit against business corporation tax liability equal to 50 percent of each apprentice's actual wages or \$4,800, whichever is less. The apprentice must be enrolled in a registered qualified program through the Rhode Island Department of Labor and Training's State Apprenticeship Council.	Rhode Island General Laws Annotated Section 44-11-41
South Carolina	Apprenticeship Income Tax Credit	South Carolina Department of Revenue	A taxpayer who employs an apprentice pursuant to an apprentice agreement may claim a credit against income tax liability in an amount equal to \$1,000 for each apprentice employed. An apprentice must be employed by the taxpayer for at least seven months and the credit is not allowed for an individual apprentice for more than four taxable years.	South Carolina Code Annotated Section 12-6-3477
South Carolina	Job Retraining Credit	South Carolina Coordinating Council for Economic Development	A business engaged in manufacturing or processing operations or technology intensive activities at a manufacturing or processing facility may claim a credit against withholding in an amount equal to \$1,000 per year for the cost of retraining a production or technology first-line employee or immediate supervisor who has been employed by the business on a full-time basis for at least two years. A qualifying business must expend at least \$1.50 on retraining eligible employees for every \$1 claimed as a credit against withholding. A business may not claim a credit in excess of \$500,000 over five consecutive years for each retrained production or technology first-line employee or immediate supervisor.	South Carolina Code Annotated Section 12-10-95
Washington	Washington Customized Employment Training Program	Washington Department of Revenue	A Washington employer may claim a credit against business and occupation tax liability in an amount equal to 50 percent of the employer's payments for employee training. Any credit amount exceeding a taxpayer's liability may be carried forward to subsequent calendar years. Credits may not be claimed after June 30, 2021.	Revised Code of Washington Section 82-04.449 and 82-32-585
West Virginia	Construction Trades Apprenticeship Training Tax Credit	West Virginia Tax Commission	A taxpayer may claim a credit against business franchise tax, net corporate income tax, and personal income tax for wages paid to apprentices in the construction trades. The amount of the credit is equal to \$2 per hour multiplied by the total number of hours worked by the apprentice during the taxable year, not to exceed the lesser of \$2,000 or 50 percent of the actual wages paid for the apprenticeship. A qualifying program must consist of at least 2,000 hours, but not more than 10,000 hours, of on-the-job training.	West Virginia Code Annotated Section 11-13W-1

