



HB 2002 student apprenticeship program; tax credits (Fillmore)

This bill establishes the Arizona Student Apprenticeship Program (Program) and an individual and corporate income tax credit for taxpayers who are employer participants in the Program for each participant employee who successfully completes the Program.

Arizona Student Apprenticeship Program

- Establishes the Program within the Arizona Department of Education (ADE) to provide job training and economic opportunity to high school students in Arizona.
- Requires ADE to develop application procedures, selection criteria and completion requirements.
- States that the program is separate and apart from the U.S Department of Labor-approved apprenticeship program.
- Allows any employer in Arizona to apply to participate in the Program by submitting an application to ADE.
- Requires an employer who participates in the Program to:
 - Provide each participant employee with job training
 - Provide flexible scheduling to each participant employee with job training
 - Open a separate interest-bearing account on behalf of each participant employee
 - Deposit the portion of each participant employee's wages selected and opened by the participant employee
 - Deposit an equivalent amount of monies in the participant employee's account each time the employer deposits a portion of a participant employee's wages
 - Disburse to the participant employee the entire amount of monies in the account if a participant employee successfully completes the Program requirements prescribed by ADE
 - Disburse to the participant employee from the participant employee's account an amount of monies that is equivalent to the sum of the wages deposited in the account if a participant employee does not successfully complete the program requirements prescribed by ADE.
 - Specifies that the employer may retain deposited monies and must transmit any interest on those monies to the State Treasurer for deposit in the state General Fund.
- Requires ADE to prepare a list that includes all employers that have been accepted to participate in the Program and post the list on ADE's website.
- Specifies that a student may participate in the Program provide that the student meets the following requirements:



Arizona School Boards Association

- Is enrolled in high school at a public school in Arizona
- Applies for the Program by submitting an application in a form prescribed by ADE to the public school at which the student is enrolled
- Submits proof with the student's application that the student is projected to complete high school graduation requirements.
 - Specifies that if participation in the Program will interfere with a student's ability to complete high school graduation requirements, the public school must deny the student's application
- Submits proof that the student has received an offer of employment from an employer on the list prepared by ADE. (Sec. 1)
- Requires a participant employer to designate at least 10% of the participant employee's wages to be deposited in the account opened by the participant employer on behalf of the participant employee.
- States that an employer that participates in the Program is allowed a tax credit for each participant employee who successfully completes the Program requirements prescribed by ADE.
- Requires ADE to issue a certificate to the employer to provide to the Arizona Department of Revenue (DOR) to verify the employer's participation in the Program and the participant employee's completion of the Program.

Tax Credit

- Establishes an individual and corporate income tax credit for taxpayers who are employer participants in the Program for each participant employee who successfully completes the Program during that taxable year.
- States that the credit is an unspecified amount per participant employee who successfully completed the Program during the taxable year.
- Requires the taxpayer to submit the certificate provided by ADE to DOR with the taxpayer's income tax return in order to claim the credit.
- Specifies that a tax credit is not allowed until the taxpayer provides the required certificate.
- Permits any unused tax credit to carry forward for up to five taxable years.
- States that if the tax credit is distributed between co-owners of a business, including partners in a partnership and shareholders of an S corporation, each individual may only claim the pro rata share of the credit based on ownership interest.