

## RÉSUMÉ DIGEST

ACT 376 (HB 533)

2025 Regular Session

Carver

New law authorizes an income tax credit for the employment of eligible apprentices, interns, and youth workers, defined as follows:

- (1) "Eligible apprentice" means a person who either has entered into a written apprenticeship agreement with an employer or association of employers as part of a registered apprenticeship program provided for in existing law; or is enrolled in a training program accredited by the National Center for Construction Education and Research which has no less than four levels of training and no less than 500 hours of instruction.
- (2) "Intern" means a student learner who participates in an internship program authorized and regulated by the provisions of existing administrative rule or any successor regulations relative to a work-based learning program classified as an internship.
- (3) "Youth worker" means an individual who has attained the age of 15 but not yet attained the age of 24; is unemployed prior to being hired by a business that will apply for a credit authorized by new law; will be working in a full-time or part-time position that pays wages that are equivalent to the wages paid for similar jobs, with adjustments for experience and training; and meets at least one of several criteria related to educational attainment, household income, justice system involvement, receiving public assistance, being a parent or pregnant, veteran status, and housing status.

New law establishes that for each eligible apprentice, intern, and youth worker employed for a minimum of 100 hours during the taxable period, an employer shall qualify for a credit equal to \$2.50 per hour of employment or \$2,500, whichever is less, per taxable period.

New law provides that the maximum amount of tax credits that may be claimed on tax returns collectively for a calendar year shall be referred to as the "credit cap", and that the initial credit cap (for 2026) shall be \$1M.

New law authorizes a \$1M increase in the credit cap for a calendar year if at least 80% of the credit cap amount authorized for the preceding year was granted. Provides that the credit cap shall not be increased for a given year if less than 80% of the credit cap amount authorized for the preceding year was granted. Limits the credit cap amount for any calendar year to \$7.5M.

New law requires the Dept. of Revenue (DOR) to publish on its website a notice of the credit cap amount no later than July 1st each year, but terminates this requirement when the credit cap reaches the overall limit of \$7.5M.

New law requires, beginning Jan. 1, 2027, that taxpayers apply for the credit on a form prescribed by DOR. Establishes an application period for the credit which runs from Jan. 1st through Feb. 28th of the calendar year following the year in which the credit is earned. Authorizes DOR to approve credits on a pro rata basis if the credit amount applied for on a single day exceeds the credit amount available.

New law prohibits earning of credits for the employment of eligible apprentices, interns, or youth workers before Jan. 1, 2026, or after Dec. 31, 2031.

New law requires DOR, in consultation with the La. Workforce Commission, to establish by rule the procedures for determining an employer's eligibility for the credit relative to apprenticeship programs. Requires the La. Workforce Commission to provide to DOR annually a list of businesses that participate in apprenticeship programs administered by the commission.

New law provides that if the credit exceeds the amount of taxes due from a taxpayer for a taxable period, then any unused credit amount may be carried forward as a credit against

subsequent tax liability for a period not to exceed five years. Stipulates, however, that the amount of the credit applied in a taxable period shall not exceed the amount of taxes due from the taxpayer for that period.

New law authorizes DOR to recover disallowed credits in accordance with collection remedies established in existing law.

New law prohibits granting of any other incentive to a taxpayer for the hiring of an eligible youth, intern, or apprentice for which the taxpayer has received a tax credit pursuant to new law.

New law authorizes DOR to promulgate administrative rules for implementation of new law.

Existing law establishes an apprenticeship tax credit program with characteristics similar to the program provided for in new law. Prior law prohibited apprenticeship tax credits for the employment of eligible apprentices before Jan. 1, 2022, or after Dec. 31, 2028. New law provides that no apprenticeship tax credit shall be earned after Dec. 31, 2025.

Existing law relative to labor and employment defines the term "apprentice". New law adds to this definition references to time-based program models, competency-based program models, and hybrid programs.

New law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective January 1, 2026.

(Amends R.S. 23:386 and R.S. 47:6033(G); Adds R.S. 47:6003)