

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Apprenticeship Work-Based Learning Tax Credits-Eligible Apprentice (LAC 61:I.1909)

Under the authority of R.S. 47:1511 and 6003 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division proposes to amend LAC 61:I.1909 relative to the Work-Based Learning Tax Credit.

Revised Statute 47:6003 creates the Work-Based Learning Tax Credit by combining the former Apprenticeship Tax Credit (R.S. 47:6033) and the Youth Jobs Tax Credit (R.S. 47:6028), and by adding eligibility for interns. The credit is nonrefundable and applies to the hiring of apprentices, interns, or youth workers, as defined therein.

The purpose of these amendments is to implement Act 376 of the 2025 Legislative Session and clarify what documentation is required to claim the credit for hiring an eligible apprentice. To qualify, a business must show either: (1) a written apprentice agreement under an apprenticeship program in R.S. 23:281; or (2) participation in a training program accredited by the National Center for Construction Education and Research.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1909. Apprenticeship Work-Based Learning Tax Credits-Eligible Apprentice

A. General Description.

1. For tax periods beginning after December 31, 2024~~5~~, Revised Statute 47:6003~~3~~ authorizes businesses to earn a non-refundable apprenticeship work-based learning tax credit against Louisiana income tax ~~or corporation franchise tax~~ equal to ~~\$2,501.25~~ for each hour of employment ~~of~~ for each eligible apprentice, intern, or youth worker, as defined herein, not to exceed 1,000 hours for each eligible apprentice, intern or youth worker.

2. ~~In order to be eligible for the credit, a business must employ a person who:~~

- ~~a. is an eligible apprentice, as defined herein;~~
- ~~b. has been employed for a minimum of 250 hours during the taxable period; and~~
- ~~c. satisfies all other criteria of this Section.~~

3. ~~The credit shall be earned in the year in which the taxpayer is deemed to have satisfied all requirements of this Section, as approved by the department.~~

4. ~~The credit shall be allowed against the income tax for the taxable period for which the credit is earned and against the franchise tax for the taxable period following the period in which the credit is earned. If the tax credit allowed pursuant to R.S. 47:6033 exceeds the amount of such taxes due, any unused credit may be carried forward as a credit against subsequent liability for a period not to exceed five years.~~

5. ~~A taxpayer shall not receive any other incentive for the job creation or hiring of an eligible apprentice for which the taxpayer has received a tax credit pursuant to this Section, including but not limited to the provisions of R.S. 25:1226, 47:297.13, 6023, 6026, 6028, 6033, 6034, 51:1781, 2451, or 3121.~~

B. Definitions.

~~Department~~ The Louisiana Department of Revenue

~~Eligible Apprentice~~ a person who:

- ~~a. has entered into a written apprentice agreement with an employer or an association of employers pursuant to a registered apprenticeship program as provided for in R.S. 23:281; or~~
- ~~b. is enrolled in a training program accredited by the National Center for Construction Education and Research (NCCER) which has no less than four levels of training and no less than 500 hours of instruction;~~
- ~~i. has successfully completed no less than two levels of training; and~~
- ~~ii. has attained no less than 250 hours of instruction.~~

~~C.B.~~ Claiming the Credit Documentation Requirements-Eligible Apprentice

1. Taxpayers must attach to the applicable Louisiana income tax return ~~both a the completed tax credit certification form Apprenticeship Tax Credit Employer Certification (Form R-90005), issued by the department, as well as all other required documentation Tax Incentives with Job Creation Components (Form R-6311).~~ Additionally, supporting documentation should be maintained or submitted to the department, as directed in Paragraph 2. of this Subsection.

2. Unless otherwise provided, eligible employers seeking to qualify for the credit pursuant to the hiring of an eligible apprentice are will be responsible for obtaining and maintaining or submitting all required information, as follows which includes the following:

a. For taxpayers seeking to qualify pursuant to a written apprentice agreement; ~~with an employer or an association of employers pursuant to a registered apprenticeship program provided for in R.S. 23:281,~~

i. report the number of hours worked during the taxable period for each eligible apprentice; ~~and, in addition,~~

ii. maintain a copy of the contract executed between the employer and the eligible apprentice ~~should be maintained and available for production and provide it upon request from the department to substantiate the qualification of an eligible apprentice.~~

b. For taxpayers seeking to qualify pursuant to an eligible apprentice enrolled in a training program accredited by the National Center for Construction Education and Research (NCCER);

i. report the number of hours each eligible apprentice worked during the taxable period for each eligible apprentice; and

ii. maintain a copy of the NCCER transcript for each eligible apprentice, which includes:

i.a. the level of training attained by the student enrolled in the training program; and

ii.b. the number of hours worked during the taxable period by the student enrolled in the training program.

c. Any other information required by the department.

~~D. Approval.~~

~~1.~~ 3. No later than January 31 of each calendar year, the Louisiana Workforce Commission shall provide to the department a list of all employers or association of employers that have registered and have been approved to participate in an apprenticeship program as provided for in R.S. 23:381.

~~2.~~ A taxpayer is deemed eligible upon satisfactorily demonstrating that it has met the requirements of Subsection A of this Section during the taxable year. Eligibility shall authorize a taxpayer for one or more nonrefundable credit(s) with a carryforward of five years equal to the lesser of \$1.25 for each hour of employment or \$1,250 for the tax period deemed eligible.

~~3.~~ For any amounts denied, the department shall notify the taxpayer as to each apprentice so denied and provide the reasons for denial.

~~4.~~ For each calendar year, beginning with calendar year 2023, the department shall not approve credits in excess of \$2,500,000. Claims shall be approved as eligible for the credit by the department on a first come, first served basis as determined by the postmarked or received date of all documentation required by Subsection C of this Section. A claim shall not be considered complete until all information requested by the department has been received.

~~5.~~ If the total amount of credits granted in any calendar year to qualifying businesses is less than the respective cap, any residual amount may be available for issuance by the department in subsequent calendar years. For purposes of the credit cap, any amounts authorized by the department shall be deemed granted for the calendar year in which the credit is earned.

~~6.~~ In the event it is determined by the department that the taxpayer has not met the requirements of Subsection A of this Section, any amounts approved by the department are subject to disallowance by the department and any amounts allowed to offset tax are subject to recapture by the department.

~~7.~~ The accrual of refund interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required herein.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.785, R.S. 47:295, R.S. 47:1511, and R.S. 47:6003.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 36:1791 (August 2010); amended by the Department of Revenue, Policy Services Division, LR 49:73 (January 2023); amended by the Department of Revenue, Tax Policy and Planning Division, LR 52:

Family Impact Statement

The proposed amendments should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically, the implementation of this proposed Rule will have no known or foreseeable effect on:

1. The stability of the family.
2. The authority and rights of parents regarding the education and supervision of their children.
3. The functioning of the family.
4. Family earnings and family budget.

5. The behavior and personal responsibility of children.
6. The ability of the family or a local government to perform this function.

Poverty Statement

This proposed amendments will have no impact on poverty as described in R.S. 49:973.

Small Business Analysis

The proposed amendments are not anticipated to have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting these proposed amendments to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed amendments will have no known or foreseeable effect on:

1. The staffing levels requirements or qualifications required to provide the same level of service.
2. The total direct and indirect effect on the cost to the provider to provide the same level of service.
3. The overall effect on the ability of the provider to provide the same level of service.

Public Comments

Any interested person may submit written data, views, arguments or comments regarding these proposed amendments to Morgan Newton, Attorney, Tax Policy and Planning Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4:30 p.m., November 24, 2025.

Public Hearing

Interested persons may submit a written request for a public hearing no later than November 10, 2025, at 4:30 p.m. Requests may be submitted either by mail, addressed to Morgan Newton, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA 70804-4098, or via email to morgan.newton@la.gov and reference Work-Based Learning Tax Credit Comments. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, a public hearing will be held on November 25, 2025, at 10:30 a.m. in the River Room, located on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, La 70802, for all interested persons to attend and submit oral or written comments. To confirm whether or not the public hearing will be held, please visit the department's website at: <https://revenue.louisiana.gov/tax-policy/rules-regulations> and under "Types" select "Nonemergency Rulemaking." In accordance with the Americans with Disabilities Act, should individuals with a disability need an accommodation to participate, contact Morgan Newton at the address given above in the Public Comments section, by email at LDRadarequests@la.gov or by phone at (225) 219-2780.

Richard Nelson
Secretary, Department of Revenue

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§1909. Work-Based Learning Tax Credit-Eligible Apprentice

A. General Description.

1. For tax periods beginning after December 31, 2025, Revised Statute 47:6003 authorizes businesses to earn a non-refundable work-based learning tax credit against Louisiana income tax equal to \$2.50 for each hour of employment for each eligible apprentice, intern, or youth worker, not to exceed 1,000 hours for each eligible apprentice, intern or youth worker.

B. Documentation Requirements-Eligible Apprentice

1. Taxpayers must attach to the applicable Louisiana income tax return the completed tax credit certification form issued by the department, as well as all other required documentation. Additionally, supporting documentation should be maintained or submitted to the department, as directed in Paragraph 2. of this Subsection.

2. Unless otherwise provided, eligible employers seeking to qualify for the credit pursuant to the hiring of an eligible apprentice are responsible for maintaining or submitting all required information, as follows:

a. For taxpayers seeking to qualify pursuant to a written apprentice agreement;

i. report the number of hours worked during the taxable period for each eligible apprentice; and

ii. maintain a copy of the contract executed between the employer and the eligible apprentice and provide it upon request from the department.

b. For taxpayers seeking to qualify pursuant to an eligible apprentice enrolled in a training program accredited by the National Center for Construction Education and Research (NCCER);

i. report the number of hours each eligible apprentice worked during the taxable period for each eligible apprentice; and

ii. maintain a copy of the NCCER transcript for each eligible apprentice, which includes:

(a). the level of training attained by the student enrolled in the training program; and

(b). the number of hours worked during the taxable period by the student enrolled in the training program.

c. Any other information required by the department.

3. No later than January 31 of each calendar year, the Louisiana Workforce Commission shall provide to the department a list of all employers or association of employers that have registered and have been approved to participate in an apprenticeship program as provided for in R.S. 23:381.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:287.785, R.S. 47:295, R.S. 47:1511, and R.S. 47:6003.

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Secretary, Department of Revenue

FISCAL AND ECONOMIC IMPACT STATEMENT

FOR ADMINISTRATIVE RULES

RULE TITLE: Work-Based Learning Tax Credit-Eligible Apprentice

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule sets forth the information and documentation required to be provided when claiming the inventory tax credit, certain school readiness tax credits, and the telephone property credit. The proposed rule also allows for the suspension of interest as provided in R.S. 47:1624(F). R.S. 47:1624(F) authorizes the suspension of accrual of

interest due to a delay in the issuance of a refund that is attributable to the taxpayer's failure to provide information or documentation required by statute or regulation.

Implementation of this proposal will not result in material additional costs or cost savings to the Department of Revenue (LDR).

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

To the extent the additional information required for the credits and the suspension of interest provisions reduce refund interest paid by the state to taxpayers, the proposed rule will increase state revenue.

According to R.S. 47:1624(A)(1)(a) interest shall be allowed from 90 days after the later of the due date of the return, the filing date of the return or claim for refund on which the overpayment is claimed, or the date the tax was paid. LDR is unable to provide an estimate as to how much interest has accumulated due to missing documentation for these particular credits.

With no local income tax, there is no impact to local governmental revenue as a result of this rule.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (Summary)

Taxpayers claiming the inventory tax credit, certain school readiness tax credits, or the telephone property tax credit will be affected by the proposed rule. Taxpayers will be required to submit new documentation when filing the return. However, the additional costs for completion and submission of the required information to claim the tax credit on the return from this proposed rule are expected to be minor.

To the extent taxpayers previously received interest in certain circumstances, the proposed rule will decrease taxpayer income from the interest suspension when proper documentation is not provided.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

There is no anticipated impact on competition or employment.

**Richard Nelson
Secretary of Revenue**

**Alan Boxberger
Fiscal Officer**