

I MINA'TRENTA NA LIHESLATURAN GUAHAN
2010 (SECOND) Regular Session

Bill No. 400-30(COR)

Introduced by:

Adolpho B. Palacios, Sr.

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MUN

AN ACT TO ADD A NEW PARAGRAPH (i) TO §44108 OF
CHAPTER 44 OF TITLE 22 OF THE GUAM CODE
ANNOTATED RELATIVE TO THE "TAX CREDIT FOR
APPRENTICESHIP PROGRAM PARTICIPANTS".

1 BE IT ENACTED BY THE PEOPLE OF GUAM:

2 Section 1. Legislative Findings and Intent.

3 *I Liheslaturan Guahan* finds that Public Law 28-142, was signed into law on July
4 18, 2006 and codified as the "Guam Registered Apprenticeship Program" (22 GCA 44).
5 The intent of the law is to reduce the shortage of highly skilled workers, encourage
6 employers to hire and train apprentices in the highly skilled trades and occupations. *I*
7 *Liheslaturan Guahan* further finds that it is to authorize tax credit for certain long term
8 apprenticeship training expenses and to ensure that apprentices continue to pay taxes
9 and participate in the economy. It is the intent of *I Liheslaturan Guahan* to ensure that all
10 employees receive credit for only the maximum hours listed in their respective
11 Apprenticeship Standards.

12 Section 2. A new paragraph (i) is hereby *added* to § 44108 of Chapter 44 of Title
13 22 of the Guam Code Annotated to read:

1 **“§ 44108. Tax Credit for Apprenticeship Program Participants.**

2 Any business that employs apprentices duly enrolled and registered under the terms of
3 the Program is entitled to a tax credit against its business privilege tax liability equal to
4 fifty percent (50%) of the eligible training costs paid or incurred by the business,
5 provided that:

6 (a) The apprenticeship training program teaches an occupation on the approved
7 occupational list compiled pursuant to § 44104 of this Chapter;

8 (b) The apprentice completes a training stage of an apprenticeship program as
9 determined by DOL following BAT standards. *No* tax credit shall be claimed by a
10 program participant for an apprentice unless the apprentice satisfactorily completes the
11 current level of training;

12 (c) The tax credit is restricted to eligible training costs incurred during the
13 apprentice’s participation in the Program.

14 (d) No business or program participant holding a Qualifying Certificate (QC)
15 shall claim tax credits pursuant to this Section. The Guam Economic Development and
16 Commerce Authority shall assist the Director in determining whether a business may
17 claim the credit;

18 (e) The apprentice must work a minimum of one hundred and twenty (120)
19 hours per month at the trade;

1 (f) The apprentice must be paid the prevailing wage required by the Program,
2 which shall be a graduated percentage of journeyman wages for that particular trade as
3 determined by the Director;

4 (g) Pre-apprentices are *not* counted as apprentices and wages earned by pre-
5 apprentices are *not* eligible for this tax credit; and

6 (h) Apprenticeship training costs paid by Work Incentive Act (WIA) funds,
7 Department of Labor Manpower Development Fund (MDF) funds, Hotel/Restaurant
8 Industry Training Program funds, and any training costs paid by government of Guam
9 or federal funding shall *not* be eligible Program costs and shall *not* be applied as a tax
10 credit. A program participant may carry forward the tax credit when the credit exceeds
11 the total amount of its business privilege tax liability within the applicable tax period.
12 Tax credits may be carried forward until exhausted.

13 (i) Total number of work process hours claimed for each apprentice shall not
14 exceed the term for the occupation delineated in the sponsor/employer's
15 Apprenticeship Standards as approved by the U.S. Department of Labor's Employment
16 and Training Administration, Office of Apprenticeship. "

17 **Section 3. Severability.** *If any provision of this Act or its application to any*
18 *person or circumstance is found to be invalid or contrary to law, such invalidity shall*
19 *not affect other provisions or application of this Act which can be given effect without*

- 1 the invalid provisions or application, and to this end the provisions of this Act are
- 2 severable.