SYNOPSIS: This bill would establish the Alabama Industry Recognized and Registered Apprenticeship Program Act.

This bill would create the Alabama Office of Apprenticeship to certify certain registered and industry-recognized apprenticeship programs in the state in lieu of the federal office of apprenticeship that currently administers state registered apprenticeship programs.

This bill would authorize the Alabama Office of Apprenticeship to provide a federally recognized state apprenticeship completion credential for registered and industry-recognized apprenticeships certified by the Alabama Office of Apprenticeship.

This bill would also increase the per capita apprenticeship tax credit from $1,000 to $1,250; increase the aggregate apprenticeship tax credit from $3,000,000 to $7,500,000; provide a $500 per capita incentive tax credit for hiring in school
youth apprentices; and extend the apprenticeship
tax credit through 2025.

This bill would also clarify that the State
Department of Education shall continue to be the
eligible agency to receive and administer career
and technical education funding under the Perkins
Act.

A BILL
TO BE ENTITLED
AN ACT

To establish the Alabama Industry Recognized and
Registered Apprenticeship Program Act; to establish the
Alabama Office of Apprenticeship to certify certain registered
and industry recognized apprenticeship programs; to develop
the Alabama Registered and Industry Recognized Apprenticeship
Program; to provide incentives to employers who hire
apprentices; to offer a nationally recognized state
apprenticeship credential; to amend Sections 40-18-422,
to the Apprenticeship Tax Credit Act of 2016; to increase the
per capita apprenticeship tax credit from $1,000 to $1,250,
increase the aggregate apprenticeship tax credit from
$3,000,000 to $7,500,000, provide a $500 per capita incentive
tax credit for hiring in school youth apprentices; to extend
the apprenticeship tax credit through 2025; and to clarify
that the State Department of Education shall continue to be
the eligible agency to receive and administer career and
technical education funding under the Perkins Act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 1 to 7, inclusive, shall be
known and may be cited as the Alabama Industry Recognized and
Registered Apprenticeship Program Act.

Section 2. For the purposes of Sections 1 to 7, inclusive, the following terms shall have the following
meanings:

(1) APPRENTICE. A worker who is at least 16 years of
age, except where a higher minimum age standard is otherwise
fixed by law, who is employed to learn an apprenticeable
occupation as provided in 29 CFR 29.4.

(2) APPRENTICESHIP AGREEMENT. A written agreement
between an apprentice and either the apprenticeship program
sponsor, or an apprenticeship committee acting as agent for
the apprenticeship program sponsor or sponsors, which contains
the terms and conditions of the employment and training of the
apprentice in conformance with 29 CFR 29 and Section

(3) APPRENTICESHIP PROGRAM. A plan containing all
terms and conditions for the qualification, recruitment,
selection, employment, and training of apprentices, as
required under the federal guidelines in CFR Title 29,
Subtitle A, parts 29 and 30, U.S.C. §50, for apprenticeship
programs certified by the Alabama Office of Apprenticeship,
and the rules adopted by the Alabama Office of Apprenticeship, including such matters as the requirement for a written apprenticeship agreement.

(4) CANCELLATION. The termination of the registration or approval status of an apprenticeship program at the request of the sponsor, or termination of an apprenticeship agreement at the request of the apprentice.

(5) CERTIFICATION or CERTIFICATE. The written approval by the Alabama Office of Apprenticeship of a set of apprenticeship standards or of an individual for employment as an apprentice or probationary apprentice in a registered apprenticeship program or proof that an apprentice has successfully met the requirements to receive an interim credential.

(6) DEREGISTRATION. The termination of the registration or approval status of an apprenticeship program upon written request of the sponsor or upon cause by the Alabama Office of Apprenticeship instituting formal deregistration proceedings.

(7) ELIGIBLE EMPLOYER. The same meaning as provided in Section 40-18-421, Code of Alabama 1975.

(8) EMPLOYER. Any person or organization employing an apprentice, whether or not the person or organization is a party to an apprenticeship agreement with the apprentice.

(9) FEDERAL PURPOSES. Any action related to a federal contract, grant, agreement, or arrangement dealing with an apprenticeship. The term includes any federal
financial or other assistance, benefit, privilege,
contribution, allowance, exemption, preference, or right
pertaining to an apprenticeship.

(10) GOVERNOR. The chief executive of this state.

(11) INDUSTRY-RECOGNIZED APPRENTICESHIP. A high
quality apprenticeship program that includes a paid work
component and an educational or instructional component
wherein an individual obtains workplace relevant knowledge and
skills developed or delivered by third parties, including
trade and industry groups, companies, nonprofit organizations,
educational institutions, unions, and joint labor management
organizations.

(12) IN SCHOOL YOUTH. A youth described in Section
129(a)(1)(C) of the federal Workforce Innovation and
Opportunity Act.

(13) ON-THE-JOB TRAINING. Training by an employer
that is provided to a paid participant while engaged in
productive work in a job that provides knowledge or skills
essential to the full and adequate performance of the job; is
made available through a program that provides reimbursement
to the employer of up to 50 percent of the wage rate of the
participant, except as provided in Section 134(c)(3)(H) of the
federal Workforce Innovation and Opportunity Act, for the
extraordinary costs of providing the training and additional
supervision related to the training; and is limited in
duration as appropriate to the occupation for which the
participant is being trained, taking into account the content
of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

(14) REGISTERED APPRENTICESHIP. A formal, on-the-job training program registered by the Alabama Office of Apprenticeship that includes all of the following:
   a. Employer involvement.
   b. On-the-job training.
   c. Related technical instruction.
   d. Paid work experience.
   e. A portable, nationally recognized industry credential.

(15) REGISTERED PREAPPRENTICESHIP. A program or set of strategies, registered by the Alabama Office of Apprenticeship, including basic skills training, academic skills remediation, or introduction to the industry, designed to prepare individuals for entry into an apprenticeship program.

(16) REGISTERED YOUTH APPRENTICESHIP. A program that is designed specifically for individuals aged 16 to 18, inclusive, registered by the Alabama Office of Apprenticeship, and is connected to an adult apprenticeship.

(17) REGISTRATION AGENCY. The agency that has responsibility for registering apprenticeship programs and apprentices, providing technical assistance, and conducting review for compliance with existing state law and the state plan for equal employment opportunities.
(18) REQUIRED TECHNICAL INSTRUCTION. An organized and systematic form of instruction designed to provide the apprentice with knowledge of the theoretical and technical subjects related to the occupation of the apprentice. The instruction may be given in a classroom, through occupational or industrial courses, or by correspondence courses of equivalent value, electronic media, or other forms of self-study for registered and industry-recognized apprenticeship programs certified by the Alabama Office of Apprenticeship. The sponsor shall be responsible for the administration and supervision of related and supplemental instruction for apprentices and coordination of the instruction with job experience.

(19) SPONSOR. Any person, association, committee, or organization operating a preapprenticeship, youth registered apprenticeships, youth industry-recognized apprenticeship programs, registered apprenticeships, and industry-recognized apprenticeship programs.

(20) STATE APPRENTICESHIP AGENCY. The Alabama Office of Apprenticeship.

(21) STATE APPRENTICESHIP INTERMEDIARY. The Alabama Community College System shall be the intermediary and shall provide required technical instruction and technical assistance for implementing on-the-job training for all apprenticeable programs certified by the Alabama Office of Apprenticeship with the consent of the sponsor.
(22) VETERAN. The meaning given the term in Section 101 of Title 38, United States Code.

(23) WORK BASED LEARNING. Sustained interactions with industry or community professionals in real workplace settings, to the extent practicable, or simulated environments at an educational institution that foster in-depth, first-hand engagement with the tasks required of a given career field, that are aligned to curriculum and instruction.

Section 3. (a) There is established the Alabama Office of Apprenticeship as a part of the Workforce Development Division of the Department of Commerce, in accordance with 29 U.S.C. 50, 29 CFR 29 and 30, and Article 20, commencing with Section 40-18-420, of Chapter 18, Title 40, Code of Alabama 1975, the Apprenticeship Tax Credit Act of 2016. The Alabama Office of Apprenticeship is established for all of the following purposes:

(1) To exercise nonexclusive authority to determine whether an apprenticeship program conforms to the regulations published in 29 CFR 29 and 30.

(2) To set forth labor standards necessary to safeguard the welfare of apprentices.

(3) To establish policies and procedures for the registration and deregistration of preapprenticeships, youth registered apprenticeships, and registered apprenticeships.

(4) To serve as the registration agency for preapprenticeships, youth registered apprenticeships, registered apprenticeships, and industry-recognized
apprenticeships in the state when the sponsor of such programs chooses to certify or register the programs with the Alabama Office of Apprenticeship.

(5) To resolve disputes arising between the parties involved in an apprenticeship agreement registered by the Alabama Office of Apprenticeship.

(b) The Alabama Office of Apprenticeship shall be maintained under the direction of the Deputy Secretary of the Workforce Development Division of the Department of Commerce. The deputy secretary, with the advice and consent of the Alabama Apprenticeship Council created pursuant to Section 6, may appoint a director for the Alabama Office of Apprenticeship, who shall serve at the pleasure of the deputy secretary, shall manage the Alabama Office of Apprenticeship, and shall perform such duties as necessary to effectuate the intent of Sections 1 to 7, inclusive.

(c) The deputy secretary, no later than June 30, 2019, with the advice and consent of the Alabama Apprenticeship Council, shall submit to the United States Secretary of Labor and the Administrator of the national Office of Apprenticeship, in accordance with 29 CFR 29.13(a), an application to recognize the Alabama Office of Apprenticeship as a state apprenticeship agency that shall comply with 29 CFR 29.13(a)-(c). The application for recognition as a state apprentice agency, submitted by the deputy secretary, shall include all of the following elements:
(1) A description of policies and operating procedures that depart from, or impose requirements in addition to, 29 CFR 29.

(2) A state plan for equal employment opportunity in apprenticeship that conforms to the requirements published in 29 CFR 30.

(3) A description of the basic standards, criteria, requirements for program registration or approval, or both, and a demonstration of the linkages and coordination with the economic development and publicly funded workforce investment system of the state.

(4) A description of how the Alabama Office of Apprenticeship will utilize the Alabama Apprenticeship Council.


(7) A plan to ensure that the registration of apprenticeship programs occurs only in apprenticeable occupations, as provided in 29 CFR 29.4, including occupations in high growth and high demand industries, including a description of how the Alabama Office of Apprenticeship will expand apprenticeship opportunities in apprenticeable occupations listed on the regional and statewide list of in-demand career pathways.
(8) A plan to accord reciprocal approval, for federal purposes, to apprentices, apprenticeship programs, and standards that are registered in other states by the national Office of Apprenticeship or a registration agency, if such reciprocity is requested by the apprenticeship program sponsor. Program sponsors seeking reciprocal approval shall meet wage and hour provisions and apprentice ratio standards of this state.

(9) A plan providing for the cancellation or deregulation, or both, of programs, for temporary suspension, cancellation, or deregistration, or any of these, of apprenticeship agreements.

Section 4. (a) The Alabama Office of Apprenticeship, with the advice and consent of the Alabama Apprenticeship Council, shall develop a nationally recognized state apprenticeship completion credential, as described in 29 CFR 29.5, for completing a registered or industry-recognized apprenticeship program registered with the Alabama Office of Apprenticeship.

(b) The Alabama Office of Apprenticeship may certify industry-recognized apprenticeships, registered with the Alabama Office of Apprenticeship, as eligible training providers for the purpose of the federal Workforce Innovation and Opportunity Act, P.L. 113-128, and may deliver services to registered apprenticeship participants with qualifying training accounts under Title I of the federal Workforce Innovation and Opportunity Act, P.L. 113-128, through the
eligible training provider list of each regional workforce
development board.

(c) The Alabama Office of Apprenticeship, with the
advice and consent of the Alabama Apprenticeship Council and
pursuant to the Alabama Administrative Procedure Act, may
adopt rules as necessary to effectuate the intent of this act,
and those rules shall conform to the published apprenticeship
guidelines in 29 CFR 20 and 30.

(d) The Alabama Office of Apprenticeship, with the
advice and consent of the Alabama Apprenticeship Council, may
approve apprenticeship programs that are mandated by state or
federal law as a result of the apprenticeship sponsor
receiving funds or resources from the state, or funds or
resources from the federal government, which require the
creation of an apprenticeship program in accordance with a
federal grant administered by the state, including contracts,
grants, loans, tax abatements or exemptions, land transfers,
land disposition and development agreements, tax increment
financing, or any combination thereof.

(e) The Alabama Office of Apprenticeship shall
establish competency based apprenticeship frameworks based on
the regional and statewide compendia of valuable credentials
created by the Alabama Workforce Council Committee on
Credentialing and Career Pathways. The Alabama Office of
Apprenticeship shall establish competency based apprenticeship
frameworks for each occupation listed on a regional and
statewide list of in-demand career pathways.
(f) The Alabama Committee on Credentialing and Career Pathways shall be charged with analyzing primary and secondary labor market data and data from the Alabama Terminal on Linking and Analyzing Statistics on Career Pathways to determine, annually, among the 16 career clusters and 79 associated career pathways, which career pathways are in-demand at the regional and state level.

(g) The Alabama Committee on Credentialing and Career Pathways by majority vote of a present quorum, shall provide recommendations for appointment to the Governor, who shall appoint a technical advisory committee for each of the 16 career and technical education career clusters.

(h) Each technical advisory committee shall conform to all of the following parameters:

(1) Each shall be composed of seven members who shall possess experience in education, workforce, or economic development in the industry segment for which the technical advisory committee is formed.

(2) Each shall maintain a majority of workforce and economic development representatives.

(3) No later than June 30, 2020, each of the 16 technical advisory committees shall create an industry competency model and competency-based career lattice for, based on the United States Department of Labor's Career Pathways Toolkit and Competency Model Clearinghouse, each O*NET occupation code within that technical advisory committee's career clusters and respective career pathways
with three or more stars on a regional or statewide in-demand career pathways list. The Alabama Committee on Credentialing and Career Pathways, annually, shall create statewide and regional compendia of valuable credentials, derived from the statewide and regional lists of in-demand career pathways.

(i) The Alabama Workforce Council Committee on Credentialing and Career Pathways shall be composed of all of the following:

(1) The cochairs of the committee shall be the Chancellor of the Alabama Community College System and the State Superintendent of Education.

(2) The membership of the committee shall be composed of all of the following ex officio members and appointees, or their designees:

a. The Governor.

b. The Chair of the Alabama Workforce Council.

c. The Chair of the Alabama Workforce Development Board.

d. The State Superintendent of Education.

e. The Chancellor of the Alabama Community College System.

f. The Secretary of the Alabama Department of Labor.

g. The Secretary of the Alabama Department of Commerce, Division of Workforce Development.

h. The Executive Director of the Alabama Commission on Higher Education.
i. The President of the Alabama Council of College and University Faculty Presidents.

j. Seven members appointed by the Governor, from each of the seven workforce regions, each of whom shall be a member of a regional workforce council or a local workforce development board.

Section 5. (a) The Alabama Office of Apprenticeship, in consultation with the Governor's Office of Education and Workforce Transformation, the P-20W Council, the Alabama Workforce Council Committee on Credentialing and Career Pathways, the State Department of Education, the Alabama Community College System, the Alabama Workforce Council, the regional workforce councils, the State Workforce Development Board, and the local workforce development boards, to the maximum extent practicable and permissible under state and federal law, shall align the required technical instruction and on-the-job training required for the completion of registered and industry-recognized apprenticeship programs in the state offered to career and technical education concentrators to the regional and statewide lists of in-demand career pathways credentials and to the two-prong career pathways model created by the Alabama Workforce Council Committee on Credentialing and Career Pathways.

(b) The Alabama Office of Apprenticeship, in consultation with the Governor's Office of Education and Workforce Transformation, the P-20W Council, the Alabama Workforce Council Committee on Credentialing and Career
Pathways, the State Department of Education, the Alabama Community College System, the Alabama Workforce Council, the regional workforce councils, the State Workforce Development Board, and the local workforce development boards, shall develop the Alabama Industry Recognized and Registered Apprenticeship (AIRRAP) model that shall be aligned to the regional and statewide lists of in-demand career pathways, to the regional and statewide compendia of valuable credentials, and to the two-pronged career pathways model created by the Alabama Workforce Council Committee on Credentialing and Career Pathways. The AIRRAP model shall conform to all of the following parameters:

(1) Beginning in 9th grade, students may participate in preapprenticeship programs aligned to career pathways and credentials designated as valuable by the state compendium of valuable credentials. During 10th, 11th, and 12th grade, students may participate in youth registered apprenticeships and industry-recognized apprenticeship programs. AIRRAP model graduates may earn their high school diploma, associate degree, industry-recognized credentials, and an apprenticeship credential at the time of high school graduation. Students participating in youth apprenticeships may also participate in dual enrollment courses at a community college. The State Department of Education and the Alabama Community College System shall collaborate to streamline articulation agreements among career pathways participating in the AIRRAP model to ensure a seamless transition between high school and community
college. The Alabama Office of Apprenticeship shall promote
dual enrollment and postsecondary graduation credit for
work-based learning credits earned while participating in
secondary in school youth AIRRAP model programs.

(2) The Alabama Office of Apprenticeship and the
Alabama Community College System shall promote apprenticeship
programs for individuals who are coenrolled in adult basic
education programs and postsecondary career and technical
education programs to ensure that individuals who are
disengaged from the workforce are able to gain access to
education and training programs, with multiple points of entry
and exit, with a focus on targeting the underemployed,
historically underrepresented subgroups, the formerly
incarcerated, out-of-school youth, recipients of temporary
assistance for needy families, supplemental security income,
or supplemental nutritional assistance programs, the long-term
unemployed, those recovering from substance abuse, veterans,
displaced homemakers, and other special populations and
subgroups. The Alabama Office of Apprenticeship shall promote
the use of the federal workforce opportunity tax credit to
hire eligible AIRRAP model participants. The Alabama Office of
Apprenticeship in cooperation with the Alabama Community
College System and the State Department of Education, may
establish an awards and recognition program for employers who
hire in school youth and adult AIRRAP model participants.

Section 6. (a) The Alabama Apprenticeship Council,
which shall be composed of public and private persons
representing employer and employee organizations that are familiar with apprenticeable occupations, is established. All appointing authorities shall coordinate their appointments so that diversity of gender, race, and geographical areas is reflective of the makeup of this state. The membership of the council shall consist of all of the following:

(1) The Governor, who shall serve as ex officio chair of the council.

(2) The Lieutenant Governor.

(3) The President Pro Tempore of the Senate.

(4) The Speaker of the House of Representatives.

(5) The Chancellor of the Alabama Community College System.

(6) The State Superintendent of Education.

(7) The Chair of the Alabama Workforce Development Board.

(8) The Chair of the Alabama Workforce Council.

(9) Nine members appointed by the Governor, and confirmed by the Senate, for a renewable term of service. The Governor shall assure that the membership of the council is inclusive and reflects the racial, gender, geographic, urban, rural, and economic diversity of the state. The members of the council appointed pursuant to this subdivision shall satisfy all of the following qualifications:

a. Three members shall be representatives of employer organizations.
b. Three members shall be public representatives who are members of employee or employer organizations.

c. Three members shall be representatives of employee organizations.

(b) The initial term of office of the nine members appointed to the council by the Governor shall be designated at the time of initial appointment by the Governor as follows:

(1) Three members, consisting of one member appointed pursuant to each of paragraphs a., b., and c. of subdivision (9) of subsection (a), shall be appointed for an initial term of one year. Successor members shall be appointed for terms of three years.

(2) Three members, consisting of one member appointed pursuant to each of paragraphs a., b., and c. of subdivision (9) of subsection (a), shall be appointed for an initial term of two years. Successor members shall be appointed for terms of three years.

(3) Three members, consisting of one member appointed pursuant to each of paragraphs a., b., and c. of subdivision (9) of subsection (a), shall be appointed for an initial term of three years. Successor members shall be appointed for terms of three years.

(c) Vacancies shall be filled by appointment of the Governor. The person appointed to fill a vacancy shall possess the same qualifications as the original appointment and shall hold office for the unexpired term and until his or her successor is appointed.
(d) The Alabama Apprenticeship Council shall serve in a regulatory capacity to the Alabama Office of Apprenticeship for all of the following functions:

(1) The approval of apprenticeship standards satisfying the requirements published in 29 CFR 29.

(2) Ensuring compliance of equal employment opportunity in apprenticeship, as defined in 29 CFR 30.

(3) Resolving disputes arising between the parties to an apprenticeship agreement.

(4) Providing recommendations to deregister, suspend, or cancel apprenticeship programs that are not compliant with state and federal apprenticeship regulations, as published in 29 CFR 29 and Article 20, commencing with Section 40-18-420, of Chapter 18, Title 40, Code of Alabama 1975, the Apprenticeship Tax Credit Act of 2016.

(5) Providing community outreach and education on the benefits of apprenticeship.

(6) Assisting in the formulation of policies that concede the effective administration of apprenticeship programs.

Section 7. (a) Nothing in Sections 1 to 7, inclusive, of this act shall require the sponsors of nonregistered preapprenticeships, youth apprenticeships, and industry-recognized apprenticeships, including state agencies, colleges and universities, and business and industry sponsors to certify such programs with the Alabama Office of Apprenticeship.
(b) Nothing in Sections 1 to 7, inclusive, of this act shall be interpreted as a mandate to hinder funds duly distributed to a state agency, college or university, or any other entity receiving state or federal funds in support of apprenticeship activities.

(c) The Alabama Office of Apprenticeship, with the consent of the sponsor, shall permit the State Apprenticeship Intermediary to provide the required technical instruction and technical assistance, including the implementation of the competency models established in subdivision (3) of subsection (h) of Section 4 that are aligned to the on-the-job training for apprenticeship programs registered or certified by the Alabama Office of Apprenticeship.

(d) The State Department of Education shall continue to be the eligible agency to receive and administer career and technical education funding under the Perkins Act.

Section 8. Sections 40-18-422, 40-18-423, and 40-18-424 of the Code of Alabama 1975, are amended to read as follows:

"§40-18-422.

"(a) An Alabama income tax credit is hereby established allowed for eligible employers that employ an apprentice for at least seven full months of the prior taxable year. The credit shall equal up to one thousand dollars ($1,000) for each apprentice employed, not to exceed five apprentices employed. The
Department of Revenue, in consultation with the Workforce Development Division of the Department of Commerce, shall establish a scale reflecting ranges of amounts of money an employer has invested in an eligible apprentice and a corresponding tax credit amount and shall award the tax credit in accordance with this scale following confirmation from the Workforce Development Division that the apprentice for whom the credit is claimed is in compliance with all federal and state requirements for the apprenticeship program. The credit shall not be available for an individual apprentice for more than four taxable years.

"(b) For tax years beginning on or after January 1, 2020, eligible employers that employ an apprentice for at least seven full months of the prior taxable year shall receive a credit equal to one thousand two hundred fifty dollars ($1,250) for each apprentice employed, not to exceed 10 apprentices employed. The Department of Revenue, in consultation with the Workforce Development Division of the Department of Commerce and the Alabama Office of Apprenticeship, shall establish a scale reflecting ranges of amounts of money an employer has invested in an eligible apprentice and a corresponding tax credit amount and shall award the tax credit in accordance with this scale following confirmation from the Workforce Development Division and the Alabama Office of Apprenticeship that the apprentice for whom the credit is claimed is in compliance with all federal and state requirements for the apprenticeship program. The credit
shall not be available for an individual apprentice for more
than four taxable years.

"(c) For each credit claimed for each qualified
apprentice under subsection (b) associated with an apprentice
enrolled in a secondary or postsecondary career and technical
education program, who is under the age of 18 at the time the
credit is claimed, and who is participating in a youth
registered or industry-recognized apprenticeship program
registered with the Alabama Office of Apprenticeship and
funded through either the Carl D. Perkins Career and Technical
Education Act of 2006, P.L. 109-270, as revised by the
Strengthening Career and Technical Education for the 21st
Century Act, P.L. 115-224, adult basic education and literacy
programs funded under Title II of the Workforce Innovation and
Opportunity Act, P.L. 113-128, or public workforce programs
funded under Title I and Title III of the Workforce Innovation
and Opportunity Act, P.L. 113-128, may qualify for an
additional tax credit, not to exceed five hundred dollars
($500) to offset the costs associated with hiring each
apprentice who is under the age of 18, not to exceed the
aggregate cap of 10 apprentices hired, as provided in
subsection (b). An eligible employer under this subsection may
claim the additional tax credit described in this subsection
after employing an in school youth apprentice, who satisfies
the specifications provided in this subsection, for 90 days.

"(d) The credit shall be allowed against the tax
imposed by Chapter 16 or Chapter 18 of this title. This tax
credit shall not be allowed to decrease a taxpayer's tax liability to less than zero. The credit is not refundable or transferable. The credit shall be available, on a pro rata basis, to the owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code or limited liability companies or professional corporations authorized to do business in this state. An employer applying for a tax credit must apply each year to receive the credit for the preceding calendar year.

"(c) The cumulative amount of tax credits issued pursuant to this article shall not exceed three million dollars ($3,000,000) seven million five hundred thousand dollars ($7,500,000) annually. The Department of Revenue shall ensure that this cap is not exceeded, shall prescribe the various methods by which these credits are to be issued, and shall develop procedures to notify taxpayers at such points in time when the tax credit caps in this subsection have been reached for the applicable tax credit year.

"(d) If an employer employs an apprentice for less than the full preceding calendar year, but for at least 210 days during the full preceding calendar year, then the employer may apply for the full value of the credit on a pro rata monthly basis beginning on the first day of the first full month of apprenticeship.

"(e) The Department of Revenue shall prescribe a form to claim this credit that provides information to the
department sufficient for the proper administration of the credit.

"(f)(h) The participation of an employee with an apprenticeship program under this article and registration with the Alabama Office of Apprenticeship of the Employment and Training Administration of the United States Department of Labor shall not constitute union affiliation, unless the employee expressly elects to affiliate with a union.

"§40-18-423.

"(a) The Alabama Office of Apprenticeship, under the direction of the Workforce Development Division of the Department of Commerce, in coordination with the consultation of the Board of Trustees of the Alabama Community College System or its designee, may adopt any rules necessary to establish standards for participation and eligibility and to implement and administer this article. The division Alabama Office of Apprenticeship shall consult with the Department of Revenue to coordinate implementation and administration of this article.

"(b) The division Alabama Office of Apprenticeship shall provide an annual report to the Chair of the House Ways and Means Education Committee and the Chair of the Senate Finance and Taxation Education Committee to account for the effectiveness of the apprenticeship program under this article.

"§40-18-424."
"The tax credits allowed under this article shall be effective January 1, 2017, for the 2017 taxable year and shall continue through the 2025 tax year, unless extended by act of the Legislature."

Section 9. This act shall become effective on the first day of the third month following its passage and approval by the Governor, or its otherwise becoming law.