

PREVAILED	Roll Call No. _____
FAILED	Ayes _____
WITHDRAWN	Noes _____
RULED OUT OF ORDER	

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 2008 be amended to read as follows:

- 1 Page 52, between lines 20 and 21, begin a new paragraph and insert:
- 2 "SECTION 29. IC 6-3.1-26 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JANUARY 1, 2004]:
- 5 **Chapter 26. Certified Job Skills Training Program Employer**
- 6 **Credit**
- 7 **Sec. 1. As used in this chapter, "certified job skills training**
- 8 **program" means a job skills training program certified by the**
- 9 **department of workforce development under IC 22-4.1-8.**
- 10 **Sec. 2. As used in this chapter, "highly compensated employee"**
- 11 **has the meaning set forth in Section 414(q) of the Internal Revenue**
- 12 **Code.**
- 13 **Sec. 3. As used in this chapter, "pass through entity" means:**
- 14 **(1) a corporation that is exempt from the adjusted gross**
- 15 **income tax under IC 6-3-2-2.8(2);**
- 16 **(2) a partnership;**
- 17 **(3) a limited liability company; or**
- 18 **(4) a limited liability partnership.**
- 19 **Sec. 4. As used in this chapter, "qualified employer" means a**
- 20 **person, corporation, or pass through entity that pays an average**
- 21 **hourly wage to employees other than highly compensated**
- 22 **employees that exceeds one hundred fifty percent (150%) of the**
- 23 **federal minimum wage.**
- 24 **Sec. 5. As used in this chapter, "state tax liability" means a**

1 taxpayer's total tax liability that is incurred under:

- 2 (1) IC 6-3-1 through IC 6-3-7 (adjusted gross income tax);
 3 (2) IC 6-5.5 (financial institutions tax); and
 4 (3) IC 27-1-18-2 (insurance premiums tax);

5 as computed after the application of the credits that under
 6 IC 6-3.1-1-2 are to be applied before the credit provided by this
 7 chapter.

8 **Sec. 6.** As used in this chapter, "training program expenditures"
 9 means expenses incurred by a qualified employer for any of the
 10 following:

- 11 (1) Sponsoring or co-sponsoring a certified job skills training
 12 program that it provides to its employees, to the extent the
 13 expenses are incurred in providing the training to its
 14 employees and not to other program participants.
 15 (2) Reimbursing an employee for participation in a certified
 16 job skills training program not sponsored or co-sponsored by
 17 the qualified employer.

18 The term does not include indirect costs incurred by an employer
 19 such as wages, salaries, and fringe benefits paid to employees while
 20 attending a certified job skills training program.

21 **Sec. 7.** A qualified employer is entitled to a credit against the
 22 qualified employer's state tax liability for training program
 23 expenditures made by the qualified employer in a taxable year. The
 24 amount of the credit is equal to the qualified employer's training
 25 program expenditures in the taxable year multiplied by ten percent
 26 (10%).

27 **Sec. 8. (a)** If the amount determined under section 7 of this
 28 chapter for a qualified employer in a taxable year exceeds the
 29 qualified employer's state tax liability for that taxable year, the
 30 qualified employer may carry the excess over to the following
 31 taxable years. The amount of the credit carryover from a taxable
 32 year shall be reduced to the extent that the carryover is used by the
 33 qualified employer to obtain a credit under this chapter for any
 34 subsequent taxable year. A qualified employer is not entitled to a
 35 carryback.

36 (b) A qualified employer is not entitled to a refund of any
 37 unused credit.

38 **Sec. 9.** If a qualified employer is a pass through entity that does
 39 not have state income tax liability against which the tax credit may
 40 be applied, a shareholder, partner, beneficiary, or member of the
 41 pass through entity is entitled to a tax credit equal to:

- 42 (1) the tax credit determined for the pass through entity for
 43 the taxable year; multiplied by
 44 (2) the percentage of the pass through entity's distributive
 45 income to which the shareholder, partner, beneficiary, or
 46 member is entitled.

47 **Sec. 10.** To receive the credit provided by this chapter, a

1 qualified employer must claim the credit on the qualified
 2 employer's state tax return in the manner prescribed by the
 3 department. The qualified employer must submit to the
 4 department proof of payment of the training program
 5 expenditures, proof that the expenditures were for job skills
 6 training programs certified by the department of workforce
 7 development under IC 22-4.1-8, and all information that the
 8 department determines is necessary for the calculation of the credit
 9 provided by this chapter.

10 SECTION 30. IC 6-3.1-27 IS ADDED TO THE INDIANA CODE
 11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 12 JANUARY 1, 2004]:

13 **Chapter 27. Certified Job Skills Training Program Individual**
 14 **Credit**

15 **Sec. 1.** As used in this chapter, "certified job skills training
 16 program" means a job skills training program certified by the
 17 department of workforce development under IC 22-4.1-8.

18 **Sec. 2.** As used in this chapter, "state tax liability" means a
 19 taxpayer's total tax liability incurred under IC 6-3-1 through
 20 IC 6-3-7 (the adjusted gross income tax) as computed after the
 21 application of all credits that under IC 6-3.1-1-2 are to be applied
 22 before the credit provided by this chapter.

23 **Sec. 3.** As used in this chapter, "taxpayer" means any individual
 24 that has any state tax liability.

25 **Sec. 4.** As used in this chapter, "training program expenditures"
 26 means expenses incurred by the taxpayer for fees or tuition that
 27 are:

28 (1) paid by the taxpayer for participation in a certified job
 29 skills training program that relates to the taxpayer's career
 30 field or job classification, as determined by the department of
 31 workforce development under rules adopted under
 32 IC 22-4.1-8-4(a)(2); and

33 (2) not reimbursed or otherwise covered by the taxpayer's
 34 employer.

35 **Sec. 5.** A taxpayer is entitled to a credit against the taxpayer's
 36 state tax liability for training program expenditures made by the
 37 taxpayer in a taxable year. The amount of the credit is equal to the
 38 lesser of:

39 (1) the taxpayer's training program expenditures in the
 40 taxable year multiplied by twenty-five percent (25%); or

41 (2) two hundred fifty dollars (\$250).

42 **If a husband and wife file a joint income tax return and each**
 43 **spouse is eligible for the credit during a taxable year, the amount**
 44 **of the credit that may be claimed on the joint return is equal to the**
 45 **amount of the credit the husband is entitled to under this**
 46 **subsection plus the amount of the credit the wife is entitled to**
 47 **under this subsection.**

1 **Sec. 6. (a) If the amount determined under section 5 of this**
 2 **chapter for a taxpayer in a taxable year exceeds the taxpayer's**
 3 **state tax liability for that taxable year, the taxpayer may carry the**
 4 **excess over to the following taxable years. The amount of the credit**
 5 **carryover from a taxable year shall be reduced to the extent that**
 6 **the carryover is used by the taxpayer to obtain a credit under this**
 7 **chapter for any subsequent taxable year. A taxpayer is not entitled**
 8 **to a carryback.**

9 **(b) A taxpayer is entitled to a refund of any unused credit.**

10 **Sec. 7. To receive the credit provided by this chapter, a taxpayer**
 11 **must claim the credit on the taxpayer's state tax return in the**
 12 **manner prescribed by the department. The taxpayer must submit**
 13 **to the department:**

14 **(1) proof of payment of the training program expenditures;**

15 **(2) proof that the expenditures were for job skills training**
 16 **programs:**

17 **(A) certified by the department of workforce development**
 18 **under IC 22-4.1-8; and**

19 **(B) related to the taxpayer's career field or job**
 20 **classification, as determined by the department of**
 21 **workforce development under rules adopted under**
 22 **IC 22-4.1-8; and**

23 **(3) all information that the department determines is**
 24 **necessary for the calculation of the credit provided by this**
 25 **chapter."**

26 Page 80, between lines 9 and 10, begin a new paragraph and insert:
 27 "SECTION 64. IC 22-4.1-8 IS ADDED TO THE INDIANA CODE
 28 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 29 UPON PASSAGE]:

30 **Chapter 8. Job Skills Training Program Certification**

31 **Sec. 1. As used in this chapter, "job skills training program"**
 32 **means a course or program designed to:**

33 **(1) develop, enhance, or upgrade basic workforce skills of an**
 34 **employee, including:**

35 **(A) literacy;**

36 **(B) communication skills;**

37 **(C) computational skills; or**

38 **(D) other transferable workforce skills; or**

39 **(2) develop, enhance, or upgrade advanced, specialized, or**
 40 **industry specific skills of an employee that are directly related**
 41 **to the employee's job or career.**

42 **Sec. 2. As used in this chapter, "person" means any individual,**
 43 **corporation, limited liability company, partnership, firm,**
 44 **association, public or private agency, educational institution, or**
 45 **other organization.**

46 **Sec. 3. As used in this chapter, "sponsor" means a person**
 47 **operating a job skills training program and in whose name the**

1 program is registered or approved.

2 **Sec. 4. (a) The department shall adopt rules under IC 4-22-2 to**
 3 **establish standards for:**

4 (1) certifying job skills training programs in Indiana for
 5 purposes of allowing:

6 (A) employers to claim a credit against state tax liability
 7 under IC 6-3.1-26; and

8 (B) employees to claim a credit against state tax liability
 9 under IC 6-3.1-27; and

10 (2) certifying that a job skills training program is related to
 11 particular career fields or job classifications for purposes of
 12 allowing employees to claim a credit against state tax liability
 13 under IC 6-3.1-27.

14 (b) The rules adopted by the department under subsection (a)
 15 must require as a condition for certification under this chapter that
 16 a job skills training program be conducted under an organized,
 17 written plan that describes the following:

18 (1) The nature of the training, instruction, or other curricula
 19 to be provided to program participants.

20 (2) The career fields or job classifications to which the
 21 training relates, to allow the department to make the
 22 certification required under subsection (a)(2).

23 (3) The duration of the training.

24 (4) Any certification, license, or degree that a participant may
 25 earn through completion of the program and the specific
 26 requirements for the certification, license, or degree.

27 (5) Any fees or tuition to be charged for the program.

28 (6) The sponsor's experience in conducting the program or
 29 other job skills training programs.

30 (c) The rules adopted by the commission under subsection (a)
 31 may include:

32 (1) a requirement that the sponsor of a job training program
 33 be certified by, accredited by, or otherwise in good standing
 34 with an appropriate accrediting body;

35 (2) minimum requirements, including the payment of any
 36 certification fees, for initial certification under this chapter
 37 after June 30, 2003;

38 (3) requirements for renewing a certification first issued
 39 under this chapter after June 30, 2003, including the payment
 40 of any renewal fees; or

41 (4) any other requirement that the department considers
 42 appropriate.

43 **Sec. 5. The sponsor of a job skills training program who seeks**
 44 **certification under this chapter shall apply to the department for**
 45 **certification on forms prescribed by the department."**

46 Page 82, between lines 38 and 39, begin a new paragraph and insert:
 47 "SECTION 68. [EFFECTIVE UPON PASSAGE] (a) As used in

- 1 **this SECTION, "department" refers to the department of**
2 **workforce development established by IC 22-4.1-2-1.**
- 3 **(b) As used in this SECTION, "job skills training program" has**
4 **the meaning set forth in IC 22-4.1-8-1, as added by this act.**
- 5 **(c) Notwithstanding IC 22-4.1-8-4, as added by this act, the**
6 **department shall adopt rules under IC 4-22-2 to establish**
7 **standards for:**
- 8 **(1) certifying job skills training programs in Indiana; and**
9 **(2) certifying that a job skills training program is related to**
10 **particular career fields or job classifications for purposes of**
11 **allowing employees to claim a credit against state tax liability**
12 **under IC 6-3.1-27, as added by this act;**
- 13 **as required under IC 22-4.1-8-4, as added by this act, not later than**
14 **December 31, 2003.**
- 15 **(d) This SECTION expires January 1, 2005.**
- 16 **SECTION 69. [EFFECTIVE JANUARY 1, 2004] IC 6-3.1-26 and**
17 **IC 6-3.1-27, both as added by this act, apply to taxable years**
18 **beginning after December 31, 2003."**
- 19 **Renumber all SECTIONS consecutively.**
 (Reference is to HB 2008 as printed February 26, 2008.)

Representative Scholer