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# Apprenticeship Tax Credit Available For Contractors Doing Business in West Virginia

CONSTRUCTION, TAX

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Contractors doing business in West Virginia may claim a credit against their West Virginia corporate net income or personal income tax for wages paid to apprentices in the construction trades. To be eligible for the credit, the apprentices must be registered with the U.S. Department of Labor and West Virginia Office of Apprenticeship.

The annual amount of credit allowable is equal to \$2 multiplied by the total number of hours worked by each apprentice during the tax year. However, the credit allowed in any tax year with respect to each apprentice may not exceed the lesser of \$2,000 or 50% of actual wages paid.

The credit may be taken in the year that an apprentice and the taxpayer participate in a qualified apprenticeship training program consisting of at least 2,000, but no more than 10,000, hours of on-the-job training.

If the credit is claimed by a pass-through entity (S corporations, partnership, or limited liability company), the credit is passed through to the owners of the pass-through entity in proportion to each owner's ownership interest. The credit is then available to offset the individual shareholder's, partner's, or member's West Virginia individual income tax liability.

Finally, it is important to note that the credit is nonrefundable and must be used in the tax year in which it was earned. Credits in excess of the taxpayer's West Virginia tax liability are forfeited—since no carryback, or carryforward, of any unused portion of the credit is permitted.

If you have any questions about the West Virginia Apprenticeship Training Tax Credit, do not hesitate to contact [Mark A. Di Pietrantonio](#).

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