

§ 9908. Tax Deduction for Apprenticeship Program Participants.

- (a) Any business that employs apprentices duly enrolled and registered under the terms of the program is entitled to a tax deduction on their BGR equal to one hundred percent (100%) of remaining eligible costs paid or incurred by the business, provided that:
- (1) The apprenticeship training program teaches an approved occupation under § 9903 of this Article;
 - (2) The apprentice completes a training stage of an apprenticeship program as determined by DOL, following USDOL-OA standards. No tax deduction shall be claimed by a program participant for an apprentice unless the apprentice completes at least fifty percent of the approved Work Process Schedule;
 - (3) The eligible costs were paid or incurred during the apprentice's participation in the Program;
 - (4) The eligible costs were paid or incurred within the previous three calendar years from the date the costs were submitted to DOL for certification. Costs paid or incurred earlier than the three calendar years preceding the date the costs are submitted to DOL shall not be certified as eligible costs;
 - (5) No business or program participant holding a Qualifying Certificate (QC) shall claim tax deductions pursuant to this Section. The Commonwealth Economic Development Authority shall assist the Secretary in determining whether a participant may claim the deduction;
 - (6) The apprentice must complete a minimum of 2,000 hours of On-the-Job-Training per year unless otherwise required by USDOL standards;
 - (7) A "progressive wage scale" shall be approved to meet USDOL OA standards. Paid wages must meet the federal minimum wage. There must be at least one wage progression scale; and
 - (8) Apprenticeship training costs paid by Workforce Innovation and Opportunity Act (WIOA) funds, Department of Labor CNMI Apprenticeship Program funds, and any training costs paid by the Commonwealth Government or federal funding shall not be eligible Program costs and shall not be applied as a tax deduction.
- (b) A program participant may only apply the tax deduction if allowed by the CNMI Division of Revenue and Taxation procedures.

Source: PL 23-25 § 4 (Sept. 20, 2024).