



Issue Update

Proposed Training Tax Credits Unveiled

After consultations with industry the B.C. Ministry of Finance has proposed new tax credits designed to support trades training, improve completion rates, and encourage apprenticeships. The tax credit will come into effect January 1, 2007 subject to legislative approval.

The B.C. Training Tax Credit Program will complement the federal government's training incentives that apply to the first two years' enrolment in 47 "Red Seal" apprenticeship programs. In B.C. similar incentives will be extended to 79 B.C.-recognized (non Red-Seal) apprenticeship programs. An added benefit will be the "completion credits" which will be available for most apprenticeship programs. Following is a brief outline of the program:

Basic Credits

Basic training tax credits will provide incentives to the 79 B.C.-recognized (non-Red Seal) apprenticeship programs not currently eligible for the federal incentives.

Employers: The basic credit for employers will be 10 per cent of wages paid up to \$2,000 per apprentice in the first 24 months of a non-Red Seal apprenticeship program.

Employees: The basic credit for employees will be \$1,000 per year for the first two years of any non-Red Seal apprenticeship program.

Completion Credits

British Columbia's completion credits will apply to both Red Seal and non-Red Seal apprenticeship training programs and provide further benefits tied to the completion of higher training levels.

Employer:

- Lesser of \$2,500 or 15 per cent of wages paid to an apprentice that completes level 3 of any apprenticeship program.
- Lesser of \$3,000 or 15 per cent of wages paid to an apprentice that completes level 4 or higher of any apprenticeship program.

Employee:

- \$2,000 for completing level 3 of any apprenticeship program.
- \$2,500 for completing level 4 or higher of any apprenticeship program.

To encourage greater participation in trades training in respect to First Nations individuals or persons with disabilities, individual and employer tax credits will be 50 per cent higher than they would otherwise receive.

For further information please visit the website of the Ministry of Finance:
http://www.gov.bc.ca/bvprd/bc/channel.do?action=ministry&channelID=-8384&navId=NAV_ID_province

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