



Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF BUSINESS DEVELOPMENT
JB Pritzker, Governor

**Apprenticeship Education
Expense Tax Credit Program
2023 Annual Report**

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1. Introduction

The Apprenticeship Education Expense Tax Credit Program (the “Program”) is one of the business incentives offered by the Illinois Department of Commerce and Economic Opportunity (“DCEO” or the “Department”). Established by Public Act No. 101-207, the Program is designed to encourage and support the hiring and education of apprentices to meet workforce and training needs now and in the future. This is the fourth annual report for the Program, submitted pursuant to 35 ILCS 5/231.

Since the inception of the Program, the Department has received a total of 32 applications from companies to support 215 apprentices. The Department continues to market the Program through presentations, collaboration with other internal agencies, educational institutions, webinars, outreach to business chambers and associations and through various business networking opportunities. Additional details about the applications the Department has received and approved during calendar year 2023 are highlighted in Section 3 of this report.

2. Eligibility Requirements

Employers are eligible for a credit of up to \$3,500 per apprentice against the taxes imposed by subsections (a) and (b) of Section 201 of the Illinois Income Tax Act. Employers may receive an additional credit of up to \$1,500 for each apprentice if: (1) the apprentice resides in an underserved area; or (2) the employer’s principal place of business is located in an underserved area. Employers must apply to the Department for certification. Employers must provide certain supporting information, including but not limited to: (a) the name, age, address, and taxpayer identification number of each qualifying apprentice; (b) the amount of qualified education expenses incurred with respect to each qualifying apprentice, including supporting documentation; (c) the name of the school at which the qualifying apprentice is enrolled; and (d) the total amount of qualified education expenses incurred with respect to each qualified apprentice. Upon satisfactory review of the application materials and approval of the Business Development Committee, the Department is authorized to issue tax credit certificates to the employer.

A qualifying apprentice must be: (a) an Illinois resident; (b) at least 16 at the close of the school year for which a credit is sought; (c) a full-time apprentice enrolled in an apprenticeship program registered with U.S. Department of Labor during the school year; and (d) employed in Illinois by the taxpaying company. Qualified educational expenses include tuition, book fees, and lab fees. A qualified school means any Illinois public or nonpublic secondary school that is: (a) an institution of higher education providing a program that leads to an industry-recognized postsecondary credential or degree; (b) an entity that carries out programs registered under the federal National Apprenticeship Act; or (c) another public or private provider of a program of training services, which may include a joint labor-management organization.

3. Apprenticeship Education Expense Program Summary

The Department approved eight applications for apprenticeship education expense tax credits during calendar year 2023. These companies incurred \$260,426 in educational expenses and received \$183,903 in tax credits associated with the education of 54 apprentices. Of those 54 apprentices, 21 either worked or resided in an underserved area. The table below provides the statutorily required breakdown of tax credits issued for applicant expenditures on qualified educational expenses during calendar year 2023.

Company	NAICS Code	No. of Apprentices	Underserved Area	Total Educ. Expenses	Amount of Credit	Avg. Expenses per Apprentice
Kiene Diesel Accessories, Inc.	333517, 334519, 334513	3	No	\$6,200	\$4,093	\$2,067
Wiegel Tool Works Inc.	332110	2	No	\$4,786	\$4,786	\$2,393
TC Industries	332811	1	No	\$2,636	\$2,636	\$2,636
Zurich American Insurance Company	524150	36	Yes (14 of 36)	\$217,500	\$147,000	\$6,042
Helm Tool Company Inc.	333511	2	No	\$6,000	\$6,000	\$3,000
Austin Engineering Co., Inc.	541370	4	Yes (4 of 4)	\$5,779	\$4,363	\$1,445
Swiss Automation	333517	4	Yes (1 of 4)	\$5,025	\$5,025	\$1,256
LMT Onsrud LP	331200	2	Yes (2 of 2)	\$12,500	\$10,000	\$6,250
<u>TOTALS</u>		<u>49</u>	<u>21</u>	<u>\$249,440</u>	<u>\$175,024</u>	<u>\$20,629</u>