

State of Rhode Island Division of Taxation  
**Form RI-2874**  
 Employer's Apprenticeship Credit - RIGL § 44-11-41

Name	Federal employer identification number	For the period ending:

**Schedule A - Apprenticeship Threshold Test:**

NOTE: The number of apprenticeships for which credit is calculated below must exceed the average number of qualifying apprenticeships begun in the preceding five (5) years.

1 Number of Qualifying Apprenticeships Begun This Year .....	1	
2 Number of Apprenticeships Begun 5 Years Prior .....	2	
3 Number of Apprenticeships Begun 4 Years Prior .....	3	
4 Number of Apprenticeships Begun 3 Years Prior .....	4	
5 Number of Apprenticeships Begun 2 Years Prior .....	5	
6 Number of Apprenticeships Begun 1 Year Prior .....	6	
7 Total Number of Apprenticeships Begun for Last 5 Years. Add lines 2 through 6 .....	7	
8 Average Number of Apprenticeships Per Year. Divide line 7 by 5.0 .....	8	
9 Is the amount of Line 1 greater than the amount on Line 8? If "Yes", you have met the Threshold Test. Complete Section B below to calculate your credit amount. If "No", you have not met the Threshold Test and do not qualify for this credit.	9	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Schedule B - Credit Calculation:**

Employee/Apprentice Name	Social Security Number	Wages Paid to Apprentice	Wage x 50%	Credit Amount (Max \$4,800)
Total Credit Amount for All Qualifying Apprenticeships . . . . .				
Tax Credit Amount Used. Enter the amount here and on Schedule B - CR, line 4 . . . . .				

**Employer's Apprenticeship Tax Credit  
R.I. Gen. Laws § 44-11-41**

**INSTRUCTIONS**

**General:**

Generally, a taxpayer who is an employer and employs a machine tool and metal trade apprentice or plastic process technician apprentice duly enrolled and registered under the terms of a qualified program will be allowed a credit against the tax imposed by Chapter 11 of Title 44. The amount of the credit is 50% of the actual wages paid to the qualifying apprentice or \$4,800, whichever is less.

**Program requirements:**

The apprentice must be duly enrolled and registered under the terms of a qualified program as determined by the State Apprenticeship Council. The credit is limited to qualified machine tool, metal trade and plastics programs with apprenticeship periods of duration which are more than four thousand (4,000) hours and less than ten thousand (10,000) hours.

The tax credit is limited to the following trades: machinist, toolmaker, toll and diemaker, model maker, gage maker, pattern maker, tool and machine setter, diesinker, moldmaker, machine tool repairer, plastic process technician and in similar occupations which, as above, involve multiple work processes including the shaping of metals by machine tool equipment designed to perform cutting, grinding, milling, turning, drilling, boring, planing, hobbling, and abrading operations.

The apprentice must be employed on a full time basis which is defined as working a minimum of one hundred twenty (120) hours per month at the trade. Up to eighty (80) hours may be applied during the tax year against the one hundred twenty (120) hour limitation.

Pre-apprentices are not counted as apprenticeships begun and wages earned by pre-apprentices are not eligible for inclusion the calculation of the tax credit.

**Calculation of the credit:**

The number of apprenticeships for which the tax credit is allowed must exceed the average number of such apprenticeships begun during the five (5) preceding years. The credit is 50% of the actual wages paid to the qualifying apprentice or \$4,800, whichever is less.

**Limitations on the credit and miscellaneous:**

- A. The credit per apprentice is 50% of the actual wages paid to the qualifying apprentice or \$4,800, whichever is less.
- B. The credit cannot reduce the Business Corporation Tax (§ 44-11) to less than the minimum tax required.
- C. The credit is not refundable and amounts of credit not deductible in the taxable year may not be carried over to the following year.

TO VERIFY ELIGIBILITY FOR THE CREDIT, A COPY OF THE APPRENTICESHIP AGREEMENT FOR EACH QUALIFIED APPRENTICE MUST BE ATTACHED TO THIS FORM.