



## WORKER RETRAINING TAX CREDIT

Businesses may claim a tax credit equal to 30% of all qualified expenditures made by the employer for eligible worker retraining. This credit allows an employer to claim a tax credit for the training costs of providing eligible worker retraining to qualified employees for taxable years beginning on or after January 1, 2013.

The credit may be applied against individual income tax, estate and trust tax, corporate income tax, bank franchise tax, and taxes imposed on insurance companies and utility companies.

### Eligible Worker Retraining

Eligible worker retraining consists of courses at Virginia community colleges, private schools certified by the Department of Small Business and Supplier Diversity, or retraining programs through apprenticeship agreements approved by the Commissioner of Labor and Industry.

### How Much is the Credit?

Generally, the credit is 30% of all classroom training costs but is limited to up to \$200 annual credit per student if the course work is incurred at a private school or \$300 per qualified employee with retraining in a STEM or STEAM discipline. The Department of Taxation is authorized to issue up to \$2,500,000 of retraining credits in any fiscal year. If total requested credits exceed this amount, the Department of Taxation will prorate the authorized credits.

Credits taken may not exceed your tax liability in any one taxable year. Unused credits may be carried forward for three years.

For further information: <http://www.tax.virginia.gov>

Form WRC may be found here: <http://www.tax.virginia.gov/sites/tax.virginia.gov/files/taxforms/credits/2014/wrc-2014.pdf>