1) When do employers enroll for the Empire State Apprenticeship Tax Credit Program (ESATC)? Before they hire the apprentice or after they hire them?

Before an employer can apply for the ESATC, they must first be a sponsor or signatory of an active or probationary NYS Registered Apprenticeship (RA) program. If an employer is not already a NYS RA sponsor, please contact the New York State Department of Labor (NYSDOL) to establish a RA program. Go to: https://labor.ny.gov/apprenticeship/contactus.shtm.

There are two steps and/or forms that must be completed to get the tax credit each year.

**Step 1:** The initial Employer Application can be submitted prior to or after hire, and must be received by the NYSDOL by December 31st of the applicable tax year.

**Step 2:** The apprentice must work full-time (a minimum of 35 hours per week) for at least 6 months before the employer can submit the Employer Final Report claiming credit for the apprentice. This is also due by December 31st of the applicable tax year.

2) Is the tax credit a complete different incentive than the tuition money that will be given to each employer from the college (provided by the grant)?

The ESATC is independent of other grants or incentive funds, however it cannot be combined with any other NYS tax credit for the apprentice.

3) What is the difference between a sponsor and signatory on the application?

A sponsor is one of the following: an employer, a single employer and a union, a group of employers, or a Joint Apprenticeship Committee (JAC) representing both employers and a union or unions, which has the ability to train apprentices, and which is recognized by the NYSDOL Commissioner through the registration of a program.

A signatory is an employer who is part of a group program, and has executed a written agreement with a NYS RA program sponsor and has agreed to be bound by the terms, standards and conditions of the program.

The tax credit is for employers; therefore, if the sponsor is a single employer, the sponsor will apply for the tax credit. If the employer is a signatory to a group program, the signatory employer will apply for the tax credit.
4) **If the employer provides a mentor for the apprentice, they receive an extra $500 tax credit. How does the employer prove that they provided a mentor if audited? What are the specifications to be considered a mentor?**

A mentor is an individual who provides instruction, counseling, guidance, and support to the apprentice on a regular basis throughout the calendar year. A mentor does not perform the same functions as the supervisor/journey worker, but instead is aiding the apprentice with other wrap-around support services to ensure the apprentice completes the program and retains employment. The employer should maintain records of mentoring services for audit purposes.

5) **What does the process of the ESATC look like? For example, when the employer applies, is there a specific waiting period? After applying for ESATC, what kind of paperwork would the employer expect? When submitting paperwork at the end of the year for tax purposes, is there a specific form to be submitted for every apprentice or are all apprentices combined into 1 document?**

This is a two-step process:

**Step 1**: After receipt of the Employer Application, and the applicant has been verified as being a sponsor of or signatory to an active or probationary NYS RA program, a Preliminary Certificate of Eligibility will be issued by the NYSDOL indicating the maximum amount of tax credit the employer may be eligible for.

**Step 2**: After receipt of the Employer Final Report, and apprentices have been verified as registered to an active or probationary NYS RA program for at least six months, a Final Certificate of Tax Credit will be issued by the NYSDOL indicating the actual amount of credit for the calendar year. Note, the Employer Final Report form and the Final Certificate of Tax Credit are currently under development, and more information on those will be coming soon.

6) **What other monetary incentives are there for employers to get involved in the apprenticeship program (list of all monetary incentives would be great)? Is there a Federal credit the employer can receive aside from the state tax incentive? My goal with this question is to properly advise an employer with all pros/cons that are associated with apprenticeship.**

Currently, there is funding available under the NYS Apprenticeship Expansion Grant Request for Applications (see: [https://labor.ny.gov/formsdocs/factsheets/pdfs/p673.pdf](https://labor.ny.gov/formsdocs/factsheets/pdfs/p673.pdf)).

You may find this and other NYS funding opportunities at the following link to our website: [https://labor.ny.gov/businessservices/funding.shtm](https://labor.ny.gov/businessservices/funding.shtm).

**Updated February 16, 2018**

7) **We currently have three (3) active NYS RA programs. Do we need to complete three (3) separate applications for the tax credit; one for each program?**

Yes, a separate application is required for each program/trade.
8) Are NYS RA programs currently on probation eligible to apply for the ESATC Tax Credit?

Yes, both Active and Probationary programs are eligible to apply for the ESATC Tax Credit.

9) Is this tax credit refundable or non-refundable?

The ESATC is a refundable tax credit as described on the NYS Tax Department’s website listing Credits Effective for Tax Years Beginning On or After January 1, 2018.

Updated May 9, 2018

10) I am a signatory with a Sheet Metal workers union and use apprentices. Am I able to get this tax credit?

The Empire State Apprenticeship Tax Credit is not available to programs in the construction trades; unless the trade is used for the upkeep and maintenance of a facility owned by the apprentice’s employer, such as plant maintenance trades. Sheetmetal workers would not be eligible for this tax credit.

Updated June 7, 2018

11) Can employees be claimed for the tax credit if they are not new hires, but are promoted from within and are new to the apprenticeship program?

Yes, you can apply for the tax credit as long as the new apprentices were registered and started working in the apprenticeship program on or after January 1, 2018.

Note, for the 2018 tax year, apprentices must be registered in your apprenticeship program and working by July 1, 2018 in order to meet the six-months of full-time employment requirement for this year.

12) When completing the online employer application, we were only able to enter in one trade although we have other registered apprenticeship programs. Is a separate application required for each trade? Additionally, what are the next steps? We have not received any additional information after submitting the application.

Please refer to question 7 above. A separate employer application is required for each trade.

Please refer to questions 1 and 5 above. This is a 2-step process; after completing Step 1, the online Employer Application, a pop-up window will appear confirming the submission. An automatic email confirmation is also generated and sent to the email address provided. (Please check your spam/junk folder if the email does not arrive). Eligible applicants will also receive a Preliminary Certificate of Eligibility for the tax credit (coming soon).

For Step 2, you are required to submit an Employer Final Report to NYSDOL once apprentices have worked full-time (a minimum of 35 hours per week) for at least six months (Report is currently under development).
13) **What is the definition of “construction” for this tax credit?**

   Construction means constructing, reconstructing, altering, maintaining, moving, rehabilitating, repairing, renovating, fabricating, servicing, or demolition of any building, structure, or improvement, or component, or relating to the excavation of or other development or improvement to land. Registered Apprenticeship programs in the field of construction are not eligible unless the trade is to be used for the upkeep and maintenance of a facility owned by the business entity employing the apprentice, such as plant maintenance trades.

*Updated August 2, 2018*

14) **Can a Mentor provide their services to multiple Apprentice’s at the same time for this tax credit?**

   Yes, a Mentor can serve multiple apprentices simultaneously.