



THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF APPRENTICE STANDARDS

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No. 19-01112023

☐ Policy
☒ Information

Apprenticeship Issuance

To: Registered Apprenticeship Sponsors and Employers
From: Patrick Mitchell, Director
Date: January 11, 2023
Subject: Apprenticeship Tax Credit Information Notice 2022

Purpose: To notify and inform Apprenticeship Sponsors, employers, and relevant stakeholders in the healthcare, technology, and production manufacturing sectors regarding deadline and eligibility information to apply for a Registered Apprentice Tax Credit for calendar year 2022.

Information: The Registered Apprentice Tax Credit (RATC) promotes expansion of registered apprenticeship in the healthcare, technology, and production manufacturing sectors in the Commonwealth. Employers in these sectors may be eligible for a credit of up to \$4,800 per qualified apprentice hired in a taxable year.

The Deadline to Apply for Calendar Year 2022 is March 31, 2023.

Per M.G.L. c. 63, § 38HH, eligible employers who employ registered apprentices may apply for a tax credit of the lesser of up to \$4,800 or 50% of wages paid per apprentice who meets RATC program requirements. Employers are eligible to apply for RATC for apprentices who have been hired and employed for 180 days in a *taxable year*. For example, if a business's taxable (or fiscal) year runs from October 1, 2021, through September 30, 2022, apprentice(s) would need to be employed by the business for at least 180 days during that time period. An employer is also eligible to apply for an additional \$4,800 credit if a qualified apprentice is employed for 180 days in the subsequent taxable year, as long as the total credit does not exceed \$9,600 per qualified apprentice over two taxable years. In any case, employers are eligible to receive a maximum of \$100,000 in RATC credits per *calendar year*.

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Employers will receive notification of approval or non-approval within thirty (30) days of submitting an application. If approved, an employer will receive a RATC Certification from the Executive Office of Labor and Workforce Development (EOLWD) authorizing a tax credit in the approved amount, which the employer may claim in its state tax filing.

Eligibility: To qualify for the RATC, employer applicants must:

- Be registered as a sponsor or co-sponsor with the Massachusetts Division of Apprentice Standards (DAS). (If registered as a sponsor, the sponsor application must have been approved by DAS. If registered as a co-sponsor, a co-sponsor acceptance agreement must be on file with DAS; however, if an otherwise qualified apprentice was hired prior to the publication of the co-sponsor agreement, an Employer Acceptance Agreement will be accepted by DAS);
- Be current with all obligations to the Commonwealth of Massachusetts, including but not limited to Unemployment Insurance payments, and workers compensation coverage requirements;
- Be in good standing with the Massachusetts Department of Revenue;
- Not be debarred from doing businesses with the Commonwealth of Massachusetts;
- Not be a unit of state, local, or federal government;
- Not be required to register apprentices through the Division of Apprentice Standards due to licensure requirements or regulations; and
- Submit the RATC application after a registered and qualified apprentice has worked 180 days in a taxable year.

To qualify for the RATC, every Apprentice hired by an employer must:

- Be registered as an apprentice with DAS; and
- Be employed in one of the following occupations: Computer occupations, as defined by Standard Occupational Codes 15-1200; Healthcare technologists and technicians, as defined by Standard Occupational Codes 29-2000; Healthcare Support Occupations, as defined by Occupational Codes 31-0000; or Production occupations employed in the Manufacturing Industry, as defined by Standard Occupational Codes 51-000, NAICS code 31-33.

Note: Workers employed by a third party, such as a staffing firm, are not eligible for RATC credit. Self-employed individuals or contractors are similarly ineligible.

How to Apply: Eligible applicants may apply online at:

<https://www.mass.gov/forms/registered-apprentice-tax-credit-ratc-application>

An application will not be considered complete until DAS receives a completed RATC application through the above link (Parts A and B) along with the following items:

- A Massachusetts Department of Revenue Certificate of Good Standing that is no older than 6 months. Please visit the [Department of Revenue's website](#) to apply for a Certificate of Good Standing.
- A Massachusetts Department of Unemployment Assistance Certificate of Compliance that is no older than 3 months. Please visit the [Department of Unemployment Assistance website](#) to receive a Certificate.

For more information, please visit <https://www.mass.gov/how-to/apply-for-a-registered-apprentice-tax-credit-ratc>