



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

# **Apprenticeship Education Expense Tax Credit Program 2021 Annual Report**



**Illinois  
Department of Commerce  
& Economic Opportunity**

JB Pritzker, Governor

July 1, 2022

Governor JB Pritzker  
Members of the General Assembly  
Illinois State Capitol Building  
401 S. 2nd Street  
Springfield, IL 62701

Dear Governor Pritzker and Members of the General Assembly:

The following report fulfills the statutory directive that the Department of Commerce and Economic Opportunity (DCEO) provide the Governor and the Members of the General Assembly with an annual report on Apprenticeship Education Expense Tax Credit Program. Public Act No. 101-207 created the Apprenticeship Tax Credit, effective January 1, 2020, and authorized the Department of Commerce & Economic Opportunity to issue tax credit certificates to companies that incur educational expenses on behalf of qualified apprentices. As provided for in 35 ILCS 5/229, this is the second annual report summarizing the status of the Program.

Please feel free to contact the Department with any questions about this report.

Sincerely,

A handwritten signature in cursive script that reads "Sylvia I. Garcia".

Sylvia I. Garcia  
Director

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## 1. Introduction

The Apprenticeship Education Expense Tax Credit Program (the “Program”) is one of the newest business incentives offered by the Illinois Department of Commerce & Economic Opportunity (“DCEO” or the “Department”). This is the second annual report for the program, submitted pursuant to 35 ILCS 5/231. 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.

To date since its inception, the Department has received a total of 22 applications from companies to support 80 apprentices. The Department continue to make a concerted effort to market the Program through presentations, collaboration with other internal bureaus, webinars, outreach to business chambers and associations, unions and various business networking opportunities. The Department anticipates more interest and involvement as the labor market has tightened and businesses are looking to fulfill the need for new talent and train for future growth opportunities. Additional details about the applications the Department has received and approved during calendar year 2021 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, and 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, and taxpayer identification number of each qualifying apprentice employed by the taxpaying company; (b) the amount of qualified education expenses incurred with respect to each qualifying apprentice, including supporting documentation; and (c) the name of the school at which the qualifying apprentice is enrolled and the qualified education expenses are incurred. Based on application materials submitted and other due diligence conducted by DCEO, the Department is authorized to issue tax credit certificates upon approval by the Department’s Director.

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 (USDOL), Office of Apprenticeship 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 carrying 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 received and approved 10 applications for apprenticeship education expense tax credits during calendar year 2021. These companies incurred \$106,378.19 in educational expenses, at an average of \$2,263.37 per apprentice, and received \$94,778.53 in tax credits associated with the education of 47

apprentices. Of those 47 apprentices, twelve (12), or 25.53%, of those apprentices either worked or resided in an underserved area. In calendar year 2020, DCEO received 12 applications for 33 apprentices \$88,332.87 in educational expenses and approved 83,422.79 in tax credits.<sup>1</sup> The table below provides the statutorily-required breakdown of tax credits issued for applicant expenditures on qualified educational expenses during Calendar Year 2021.

#### Calendar Year Tax Credit Certificates Issued

Company	NAICS Code	No. of Apprentices	Underserved Area	Total Educ. Expenses	Amount of Credit	Avg. Expenses per Apprentice
Denler, Inc.	236220	1	Y	\$3,995.00	\$3,995.00	\$3,995.00
Birkey's Farm Store, Inc.	423820	16	N	\$21,000.00	\$21,000.00	\$1,312.50
Chicago Plastic Systems, Inc.	326199	1	N	\$3,244.90	\$2,613.15	\$3,244.90
Kiene Diesel Accessories, Inc.	333517 334519 334513	3	N	\$7,515.59	\$7,515.59	\$2,505.20
North American Lighting Inc.	336320	5	Yes, 3 of 5 apprentices live in underserved area	\$13,270.00	\$10,672.06	\$2,654.00
Silgan White Cap Corporation	326199	1	N	\$5,440.09	\$3,500.00	\$5,440.09
Wiegel Tool Works Inc.	332110	3	N	\$7,223.71	\$6,824.89	\$2,407.90
Stanley Spring & Stamping Cor.	332110	2	N	\$3,248.63	\$3,008.63	\$1,624.32
Hoffer Plastics Corporation	326199	6	Y	\$8,440.27	\$8,149.21	\$1,406.71

<sup>1</sup> DCEO is updating the 2020 Apprenticeship Tax Credit Annual Report to include Wiegel Tool Works with 1 apprentice with a Total Education Expenses of \$1,995 and same for Amount of Credit.

HydraForce Inc.	329000	9	Yes, 2 of 9 apprentices live underserved area	\$33,000.00	\$27,500.00	\$3,666.67
<b><u>Totals</u></b>		<b><u>47</u></b>	<b><u>12</u></b>	<b><u>\$106,378.19</u></b>	<b><u>\$94,778.53</u></b>	\$2,263.37