

HOUSE BILL No. 1366

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3.1-46.5; IC 25-1-24.5.

Synopsis: Workforce development incentives. Provides for a nonrefundable apprenticeship tax credit (credit) for an eligible employer. Provides that the amount of the credit is \$2,500 for each apprentice employed. Specifies procedures for claiming the credit. Requires a board to issue a license, certificate, registration, or permit to an individual to allow the individual to practice the individual's occupation in Indiana if the individual satisfies certain conditions.

Effective: July 1, 2026; January 1, 2027.

Jackson C

January 8, 2026, read first time and referred to Committee on Ways and Means.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1366

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3.1-46.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2027]:

4 **Chapter 46.5. Apprenticeship Tax Credit**

5 **Sec. 1. As used in this chapter, "department of workforce**
6 **development" means the department of workforce development**
7 **established by IC 22-4.1-2-1.**

8 **Sec. 2. As used in this chapter, "eligible employer" means a**
9 **person, corporation, limited liability company, partnership, or**
10 **other entity.**

11 **Sec. 3. As used in this chapter, "pass through entity" means:**

- 12 **(1) a corporation that is exempt from the adjusted gross**
13 **income tax under IC 6-3-2-2.8(2);**
14 **(2) a partnership;**
15 **(3) a trust;**
16 **(4) an estate;**
17 **(5) a limited liability company; or**



(6) a limited liability partnership.

Sec. 4. As used in this chapter, "qualified apprenticeship" means an apprenticeship that is:

- (1) certified as an industry recognized apprenticeship program by an entity determined to meet United States Department of Labor criteria;
- (2) registered with the United States Department of Labor; or
- (3) offered through or in conjunction with a program developed by the department of workforce development.

Sec. 5. As used in this chapter, "state tax liability" means a taxpayer's total tax liability that is incurred under:

- (1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax); and
- (2) IC 6-5.5 (the financial institutions tax);

as computed after the application of the credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this chapter.

Sec. 6. As used in this chapter, "taxpayer" means an eligible employer that has state tax liability.

Sec. 7. (a) Subject to subsection (b), a taxpayer that employs an individual for at least seven (7) full months in a taxable year in a qualified apprenticeship that has been certified by the department of workforce development is eligible for a credit against the taxpayer's state tax liability in the taxable year in which the taxpayer employs the apprentice.

(b) An individual may not be certified as being employed in a qualified apprenticeship for purposes of claiming the credit under this chapter:

- (1) after the earlier of:
 - (A) the date that falls four (4) years after the individual's first day of employment with the employer; or
 - (B) the conclusion of the term of the apprenticeship position; or
- (2) if the individual was employed in another position with the employer immediately before beginning employment in the apprenticeship position.

Sec. 8. (a) The amount of the credit is two thousand five hundred dollars (\$2,500) for each individual employed in a qualified apprenticeship position. However, and except as provided in subsection (b), a taxpayer may not claim a credit for more than one (1) individual employed in a qualified apprenticeship position under this chapter in a taxable year.



(b) A taxpayer may claim a credit under this chapter for up to six (6) individuals employed in a qualified apprenticeship position during a taxable year if at least half of the number of individuals for whom the credit is claimed are:

- (1) foster children participating in a transition to independent living program with the department of child services;
- (2) military veterans;
- (3) spouses of individuals in the military; or
- (4) women.

Sec. 9. A taxpayer may apply to the department of workforce development for a certification of a position as a qualified apprenticeship in the manner provided by the department of workforce development. The department of workforce development may certify that a particular position is a qualified apprenticeship or deny the request.

Sec. 10. A taxpayer is not entitled to a carryback or refund of any unused credit.

Sec. 11. If a pass through entity is entitled to a credit under section 7 of this chapter but does not have state tax liability against which the tax credit may be applied, a shareholder, partner, or member of the pass through entity is entitled to a tax credit equal to:

- (1) the tax credit determined for the pass through entity for the taxable year; multiplied by
- (2) the percentage of the pass through entity's distributive income to which the shareholder, partner, or member is entitled.

Sec. 12. To apply a credit against the taxpayer's state tax liability, a taxpayer must claim the credit on the taxpayer's annual state tax return or returns in the manner prescribed by the department. The taxpayer shall submit to the department the information that the department determines is necessary for the department to determine whether the taxpayer is eligible for the credit.

SECTION 2. IC 25-1-24.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2026]:

Chapter 24.5. Neighboring State Licensure Recognition

Sec. 1. (a) Except as provided in subsection (b), this chapter applies to any license, certificate, registration, or permit issued by a board under this article.

(b) This chapter does not apply to the issuance or regulation of



any license, certificate, registration, or permit for the following:

(1) Any health care practitioners, including a license, certificate, registration, or permit issued under:

(A) IC 25-14;

(B) IC 25-22.5;

(C) IC 25-23;

(D) IC 25-23.5;

(E) IC 25-24;

(F) IC 25-26;

(G) IC 25-27;

(H) IC 25-27.5; or

(I) IC 25-33.

(2) Architects under IC 25-4.

(3) Engineers under IC 25-31.

(4) Certified public accountants under IC 25-2.1.

(5) Veterinarians or veterinary technicians under IC 25-38.1.

Sec. 2. Notwithstanding any other law, a board shall issue a license, certificate, registration, or permit to an individual to allow the individual to practice the individual's occupation in Indiana if, upon application to the board, the individual satisfies the following conditions:

(1) Holds a current license, certification, registration, or permit from Ohio, Michigan, Illinois, or Kentucky, and that jurisdiction's requirements for a license, certificate, registration, or permit are substantially equivalent to or exceed the requirements for a license, certificate, registration, or permit of the board from which the applicant is seeking licensure, certification, registration, or a permit.

(2) Can demonstrate competency in the occupation through methods as determined by the board.

(3) Has held the license, certification, registration, or permit required under subdivision (1) for at least one (1) year.

(4) Has not committed any act in any jurisdiction that would have constituted grounds for refusal, suspension, or revocation of a license, certificate, registration, or permit to practice that occupation in Indiana at the time the act was committed.

(5) Is in good standing and has not been disciplined by the agency that has jurisdiction to issue the license, certification, registration, or permit.

(6) Does not have a complaint or investigation pending before an occupational licensing board that relates to unprofessional



conduct or an alleged crime.

(7) Pays any fees required by the board for which the applicant is seeking licensure, certification, registration, or a permit.

(8) Has passed an examination for the license, certification, registration, or permit required under subdivision (1) if an examination was required in the jurisdiction.

(9) Does not have a disqualifying criminal history.

Sec. 3. If an individual had any disciplinary action taken against the individual or the individual's license, certification, registration, or permit in the jurisdiction in which the individual holds a license, certification, registration, or permit described in section 2(1) of this chapter, the individual shall confirm, and provide evidence, that the disciplinary action has been resolved and of the corrective action taken.

Sec. 4. Nothing in this chapter may be construed to invalidate any existing reciprocity agreement between a board in Indiana and a board in another jurisdiction.

Sec. 5. An individual who receives a license, certification, registration, or permit under this chapter is entitled to the same rights and subject to the same obligations as an individual who receives a license, certification, registration, or permit under this title.

SECTION 3. [EFFECTIVE JULY 1, 2026] (a) IC 6-3.1-46.5, as added by this act, applies to taxable years beginning after December 31, 2026.

(b) This SECTION expires July 1, 2029.

