

File by April 1. This credit must be approved before being claimed on your return.

See the separate instructions before completing this form.

<b>Business Type:</b> <input type="checkbox"/> Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Sole Proprietor <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Liability Company (LLC)	Name	Federal Employer Identification Number or Social Security Number
	Trading As	
	Street Address	
	City, State, ZIP Code	NAICS Code

Approval of courses and apprenticeship programs is required. See instructions for details, including when and where to file.

- Have you applied for any other credits this year? If yes, indicate which credit(s) \_\_\_\_\_
- If application is based on noncredit courses and apprenticeship programs: Complete Parts I, II and III below. File Form WRC with the Virginia Economic Development Partnership.
- If application is based only on noncredit courses: Complete Parts I and II below. File with the Virginia Economic Development Partnership.
- If application is based only on apprenticeship programs: Complete Parts I and III below. File with the Department of Taxation.

**Part I - Description of Business Activities** - Describe the principal activity of your business:

\_\_\_\_\_

\_\_\_\_\_

**Part II - Tax Credit Based on Noncredit Courses From a Community College or Private School** - Complete Schedule 1 (Form WRC), then enter the total number of courses for which this credit will be claimed and the total credit requested. Complete a separate Schedule 1 for each noncredit course. See the instructions for more information.

Total Tax Credit Requested for Noncredit Courses From Schedule 1 (Form WRC)	Total Number of Courses	Total Tax Credit Requested (From WRC, Sch. 1, Col. E)
_____	_____	_____

**Part III - Tax Credit Based on Apprenticeship Programs** - Complete Schedule 2 (Form WRC), then enter the name of each apprenticeship program approved by the Virginia Apprenticeship Council for which this credit will be claimed, the total cost and credit requested.

Program Name	Total Number of Programs	Total Number of Apprentices	Total Credit Requested (From WRC, Sch. 2, Col. E)
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**Declaration** - I, the undersigned officer or other person authorized to act on behalf of the business entity, have read and understand the limitations and restrictions set forth for this credit application.

Taxpayer Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_ Phone: \_\_\_\_\_

Tax Preparer Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Printed Name: \_\_\_\_\_ Date: \_\_\_\_\_ Phone: \_\_\_\_\_

Preparer Address: \_\_\_\_\_

**Schedule 1  
Form WRC**

**Worker Retraining Tax Credit Application for  
Noncredit Courses to be Approved by VEDP**

Tax Year Ending \_\_\_\_\_, \_\_\_\_\_

Page \_\_\_\_ of \_\_\_\_

Complete a Schedule 1 for each course.

Name as it Appears on Form WRC		FEIN or SSN	This section to be completed by the Virginia Economic Development Partnership.  Course is:  <input type="checkbox"/> Approved  <input type="checkbox"/> Not Approved
List each noncredit course from a Virginia community college or a school approved by the Virginia Economic Development Partnership for purposes of claiming this credit. Complete a separate Schedule 1 for each course. See the definition of "eligible worker retraining" in the instructions before completing this schedule.			
A.	Name of School	Contact	
	Type (Check One) <input type="checkbox"/> Community College <input type="checkbox"/> Private School	Phone Number	
B.	Course Title	Course Number	
C.	Course Description, Including Dates, and Prerequisites:		
		Signature	
		Name Printed	
		Phone	

**Qualifying Employees Taking Qualifying Noncredit Courses** A qualified employee cannot be a relative of any owner or the employer claiming the credit and cannot own, directly or indirectly, more than 5% in value of the outstanding stock of a corporation claiming the credit. See the "Qualified Employee" section of the instructions.

	Column A Employee Name and SSN	Column B Date Course Completed	Column C Course Cost	Column D Date Paid	Column E Credit Requested*
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					

Total for This Page	
Enter on Page 1 Only - All Other Page Totals Combined	
Enter in Part II, Form WRC, <b>Total of All Pages</b>	

\* 30% of Column C costs or, if a private school, up to \$200 per qualified employee annually (\$300 per qualified employee annually if the eligible worker retraining includes retraining in a STEM or STEAM discipline).

**Schedule 2  
Form WRC**

**Worker Retraining Tax Credit Application Schedule - Retraining Courses  
Undertaken Through an Approved Apprenticeship Program**

**Tax Year Ending**

\_\_\_\_\_, \_\_\_\_\_

Page \_\_\_\_ of \_\_\_\_

Name as It Appears on Form WRC					FEIN or SSN		
Column A	Column B		Column C		Column D		Column E
Employee Name and SSN*	School Name	Check Box if Private	Course Name	Completion Date	Course Cost	Date Paid	Credit Requested**
1.		<input type="checkbox"/>					
2.		<input type="checkbox"/>					
3.		<input type="checkbox"/>					
4.		<input type="checkbox"/>					
5.		<input type="checkbox"/>					
6.		<input type="checkbox"/>					
7.		<input type="checkbox"/>					
8.		<input type="checkbox"/>					
9.		<input type="checkbox"/>					
10.		<input type="checkbox"/>					
<b>Total of Column E for This Page</b>							
<b>Enter on Page 1 Only, All Other Pages' Column E Totals Combined</b>							
<b>Enter on Page 1 Only: Total Credit Requested for All Pages - Total for Page 1 Plus All Other Page Totals Above. Enter in Part III Form WRC</b>							

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\*A qualified employee cannot be a relative of any owner or the employer claiming the credit and cannot own, directly or indirectly, more than 5% in value of the outstanding stock of a corporation claiming the credit. See the "Qualified Employee" section of the instructions. \*\* 30% of Column D costs or, if a private school, up to \$200 per qualified employee annually or \$300 per qualified employee annually if the eligible worker retraining includes retraining in a STEM or STEAM discipline.

Attach this Schedule to Form WRC. Also attach a signed copy of:

1. An Apprenticeship Action Form is required for each student. Applications will not be processed without this form. Students without the form will be excluded from the credit amount granted.
2. Proof of payment by the employer.

# Instructions for Form WRC Worker Retraining Tax Credit Application

## GENERAL INFORMATION

The Worker Retraining Tax Credit may be claimed by employers who provide qualifying retraining for their employees through noncredit classes or through an apprenticeship agreement approved by the Virginia Jobs Investment Program, Virginia Economic Development Partnership (VEDP). Qualifying apprenticeship programs may include credit and noncredit classes.

- For qualified employees who attend Virginia community colleges, the employer can claim 30% of all training costs.
- For taxable years prior to January 1, 2013, an employer may claim the actual costs up to \$100 per qualified employee for those employees who attend private schools.
- For taxable years beginning on or after January 1, 2013, for those employees who attend private schools an employer may claim the actual costs up to \$200 per qualified employee or \$300 per qualified employee annually if the eligible worker retraining includes retraining in a STEM or STEAM discipline.

The total retraining credits granted to all employers is limited to \$2,500,000 for each year. If the total qualifying credits exceed this amount, the credit will be prorated. Employers must apply for their share of the available credit by filing Form WRC with the VEDP or Department of Taxation, as applicable, to determine their proportionate share of the credit. Notification of the authorized credit amount must be received before the credit may be claimed on the tax return.

The credit is allowable against the Individual Income Tax, Estate and Trust Income Tax, Corporation Income Tax, Bank Franchise Tax and taxes imposed upon insurance companies and utility companies (under *Va. Code* §§ 58.1-2501 et seq. and 58.1-2626 et seq.). This credit is nonrefundable, but excess credit may be carried forward for the next three taxable years. No credit can be carried back to a preceding taxable year.

## PROCESS OVERVIEW FOR CLAIMING THIS CREDIT

Claiming this credit takes the following three-step process. Definitions used to qualify training are after Step 3.

### Step 1: Determine Eligibility of Courses or Apprenticeship Programs for Credit

**Noncredit Courses:** Employers seeking this credit will have retrained employees through noncredit courses. To determine if the training will qualify for this credit, complete Parts I, II, and Schedule 1 of Form WRC and send it to **Virginia Jobs Investment Program, Virginia Economic Development Partnership, 901 East Byrd Street Richmond, VA 23219**. For questions, call **804-545-5706**. VEDP will determine if the course qualifies as eligible retraining. VEDP will forward this determination to the Department of Taxation for Step 2.

**Apprenticeship Programs:** Employers seeking this credit will have retrained employees in a Virginia Apprenticeship Council approved program under the Voluntary Apprenticeship Act. For program information, call Department of Labor and Industry at 804-786-8009.

File Form WRC, completing Parts I, III and Schedule 2 (see **Exception** below), with the **Department of Taxation, Tax Credit Unit, P. O. Box 715, Richmond, VA 23218-0715**, to determine program applicability and authorized credit.

**EXCEPTION:** If applying for retraining credits for noncredit courses and an apprenticeship program, complete all of Form WRC and file

it with VEDP. After processing Schedule 1, VEDP will send Form WRC to the Department of Taxation.

### Step 2: Requests for Additional Information and Notification of Authorized Credit

**Additional information:** If the Virginia Economic Development Partnership or the Department of Taxation needs additional information they will contact you by **May 1** and you will have until **May 15** to respond. If you have not received acknowledgment of your application from the Department of Taxation by May 31 please call **804-786-2992**.

The Department of Taxation will issue the credit by June 30. If you have not received your credit certification by July 15, please call 804-786-2992.

**Extension of time for filing:** If the tax return upon which this credit will be claimed is due on or before May 1, you may need to file an automatic extension payment for any tax due or file an amended return upon receipt of the credit information.

### Step 3: Claim Worker Retraining Tax Credit on Your Return

After receiving notification of authorized credit, you may claim the credit on the applicable Virginia tax return. See the tax return instructions for computation and attachment details.

## DEFINITIONS

**Eligible Worker Retraining** means the retraining of a qualified employee that promotes economic development. Retraining of a qualified employee will promote economic development when the employment brings new income into Virginia, stimulates additional employment, improves existing processes, products or services, or is the basis for further economic growth. The retraining can be accomplished through (i) noncredit courses at any Virginia community college or a private school or (ii) worker retraining programs undertaken through an apprenticeship agreement approved by the Virginia Apprenticeship Council.

**Noncredit Courses** include, but are not limited to:

- specific job-related skills/studies;
- computer training due to process or equipment change of entry-level computer skills (ongoing computer software upgrades are not included);
- continuous improvements such as team building and quality training;
- management and supervisory training;
- safety and environmental training programs; and
- credit or noncredit approved apprenticeship courses.

**Qualified Employee** means an employee who works in a full-time position requiring a minimum of 1,680 hours in the normal year of the employer's operation and standard fringe benefits are offered to the employee. Employees eligible to take credit or noncredit courses undertaken through a registered apprenticeship agreement must be employed in a full-time position requiring a minimum of 1,924 hours in the normal year of the employer's operation unless otherwise approved by the Virginia Apprenticeship Council. A qualified employee shall not be a spouse, child, grandchild, parent or sibling of an employer, or in the case of a corporation, an individual that owns, directly or indirectly, 5% or more of the corporation's stock. Employees in seasonal or temporary positions are not qualified for this program.

**Retraining** means an upgrade in training for existing employees, which is identified as essential to the production or distribution of a product, rendering services or retraining provided through an apprenticeship agreement approved by the Virginia Apprenticeship Council.

**Standard Fringe Benefits** means the benefits that a particular employer offers to its full-time employees.

**STEM or STEAM discipline** means a science, technology, engineering, mathematics, or applied mathematics related discipline as determined by the VEDP in consultation with the Superintendent of Public Instruction. The term also includes a health-care related discipline.

**Training Costs** means instruction, instructional materials, facilities fees and other costs determined to be necessary to the delivery of the training. Trainee wages and curriculum development costs are not covered.

### INSTRUCTIONS FOR COMPLETING FORM WRC

When completing Form WRC, remember that claiming the credit is a multi-step process. Complete Form WRC and the required schedules using the definitions listed earlier in these instructions. To assist you in completing Schedules 1 and 2 correctly, review these definitions: Eligible worker retraining, qualified employee, noncredit courses, retraining, standard fringe benefits and training costs.

#### Part I - Description of Business Activities

Enter the principal activity of the business.

#### Part II - Credit Based on Noncredit Courses From a Community College or Private School

Credit will be granted for retraining through noncredit courses approved by the VEDP.

Complete Schedule 1 (Form WRC). If additional space is needed, attach a separate page. Complete a separate Schedule 1 for each course for which the credits are requested. Enter the total number of courses and total credit requested for training costs for approved courses in the space provided in Part II of the Form WRC.

#### Part III - Credit Based on Apprenticeship Programs

Credit will be granted for apprenticeship programs (approved by the Virginia Apprenticeship Council through the Virginia Department of Labor and Industry) which meet the qualifications for this credit. See the definitions provided earlier in these instructions, before completing this section.

Complete Schedule 2 (Form WRC).

- If you have more than one school, then use a separate Schedule 2 for each school.
- Enter the student names in alphabetical order.
- If including additional summary worksheets, submit one worksheet for each school and complete all fields as listed on Schedule 2 (list student names in alphabetical order, school name, course name, etc.).
- Organize each school in a separate folder with Form WRC, Schedule 2, invoices, Labor Department Apprenticeship Form and copies of E-checks or cancelled checks.

See the definitions listed in these instructions before completing Schedule 2 to ensure that the training costs and employees listed qualify for the credit.

### WHEN AND WHERE TO FILE FORM WRC

File Form WRC **no later than April 1** in order for the qualification process to be completed. Forms received after that date may not be processed and credit may not be approved.

If applying for the Worker Retraining Tax Credit based on the noncredit course alone or on both the noncredit course and an apprenticeship program, file Form WRC with all required attachments (listed below) to:

**Worker Retraining Tax Credit Application  
Virginia Jobs Investment Program  
Virginia Economic Development Partnership  
901 East Byrd Street  
Richmond, VA 23219**

If applying for the Worker Retraining Tax Credit based only on the apprenticeship program, file Form WRC with all required attachments (listed below) to:

**Tax Credit Unit  
Virginia Department of Taxation  
P. O. Box 715  
Richmond, Virginia 23218-0715**

### WHAT TO ATTACH TO FORM WRC

If Schedule 1 of Form WRC was completed, attach a copy of the documentation used in completing Schedule 1, including enrollment forms from the school/college showing the courses taken and payment by the employer.

If Schedule 2 of Form WRC was completed, attach a signed copy of the Apprenticeship Action Form, Apprenticeship Related Instruction Enrollment Form, and proof of payment by employer.

### PASS-THROUGH ENTITIES

The Virginia Department of Taxation will issue a credit certification letter specifying the amount of credit authorized to each partnership, S-corporation or limited liability company qualifying to claim a portion of this credit.

Each pass-through entity must File **Form PTE** with the Department of Taxation within 30 days after the credit is granted. This information should be sent to: **Department of Taxation, ATTN: Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715** or you may fax it to **804-786-2800**.

All pass-through entities distributing this credit to their owner(s), shareholders, partners or members must give each a Schedule VK-1, Owner's Share of Income And Virginia Modifications And Credits.

### WHERE TO GET HELP

Write to the **Virginia Department of Taxation, Tax Credit Unit, P.O. Box 715, Richmond, VA 23218-0715** or call **804-786-2992**. To order forms, call 804-367-8031. Visit **[www.tax.virginia.gov](http://www.tax.virginia.gov)** for most Virginia tax forms and additional tax information. Forms are also available from the office of your local Commissioner of the Revenue, Director of Finance or Director of Tax Administration.

Tenemos servicios disponibles en Español.

*Virginia Tax Bulletin* 99-4, dated April 5, 1999, provides additional information on the Worker Retraining Tax Credit and how the credit applies. To obtain this bulletin, see the Where To Get Help section above.