



WORKFORCE APPRENTICESHIP GROWTH AND EDUCATION SUPPORT ACT

Introduced by Senator Todd Young (R-Ind.) and Representative Nathaniel Moran (R-TX-1)

The *Workforce Apprenticeship Growth and Education Support Act*, or *WAGES Act*, creates a refundable payroll tax credit for employers who maintain or participate in a registered apprenticeship program (RAP). By offsetting a portion of apprentice wages and training expenses, the credit makes it easier and more affordable for employers to formalize, expand, and sustain high-quality apprenticeship programs that prepare workers for careers in essential industries.

KEY FEATURES

- 50% payroll tax credit for qualified wages (for an apprentice's first two years in the apprenticeship) and program expenses
- Up to \$5,000 in wages per apprentice, per quarter, eligible for the credit
- Program expenses eligible for the credit capped at the greater of:
 - \$5,000 per quarter, or
 - Up to \$2,500 per apprentice (up to \$50,000 per quarter)

WHY IT'S NEEDED

ADDRESS WORKFORCE SHORTAGES

Employers across sectors face severe skilled workforce shortages. This bill supports (but would not be limited to) high-demand sectors like construction, advanced manufacturing, automotive repair and maintenance, health care, and information technology.

LOWER STARTUP COSTS, BOLSTER PROVEN MODEL

The bill prioritizes support towards the costly necessities that prevent apprenticeships from getting off the ground: wages, supervision, and classroom instruction. RAPs have a strong track record of high completion rates, solid earnings, and direct skill alignment for long-term career goals.

POSTIVE IMPACT, LONG-TERM SUCCESS

This would encourage employers to build long-term training pipelines that match changing economic needs rather than relying solely on short-term hiring. By expanding access to RAPs, the bill strengthens local economies, boosts worker earning potential, and improves productivity for employers.



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LOWER COSTS. STRONGER WORKFORCE. MORE OPPORTUNITY.

WHO QUALIFIES AND WHAT'S COVERED

- **Eligible employers must:**
 - Maintain a RAP (either through DOL or a recognized state apprenticeship agency) OR participate in one through a written apprenticeship agreement (including a Collective Bargaining Agreement)
 - Employ at least one qualified apprentice during the calendar quarter
 - Only claim the credit for wages/expenses not already funded by federal programs (e.g., WIOA)
- **Covered program expenses include:**
 - Related technical instruction (classroom, distance learning, or other approved format)
 - On-the-job learning costs and supervision reimbursement
 - Mentor wages (incremental pay above a journeyworker's base rate, capped at \$10,000 per quarter per mentor)
 - Program development, registration, and administrative costs
 - Contributions to RAP sponsors under collective bargaining or similar agreements

HOW THE CREDIT WORKS

- The credit is claimed quarterly against employer payroll taxes.
- If the credit exceeds the employer's tax liability in a given quarter, the excess is fully refundable, ensuring accessibility for small- and medium-sized employers.
- No double-dipping: wages and expenses used for this credit cannot also be used for other federal tax credits, and may not be deducted to the extent they are claimed for the credit.

SUPPORTING ORGANIZATIONS

- American Hotel and Lodging Association
- American Trucking Associations
- Associated Equipment Distributors
- Associated General Contractors of America
- Caliber Collision
- National Association of Home Builders
- National Restaurant Association
- National Roofing Contractors Association
- Real Estate Roundtable
- Small Business & Entrepreneurship Council
- U.S. Chamber of Commerce
- Ascend Indiana
- CEOs of Indiana Corporate Partnership (CICP)
- Indiana Electric Cooperatives
- Indiana Manufacturers Association
- Indy Chamber

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