Can a project still qualify for a tax incentive or bonus if Registered Apprentices aren't available?

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Projects that do not meet the apprenticeship requirements can still be eligible for the increased credit if the project sponsor (or employer) **pays a fine ($50/hour x total required apprentice labor hours)** or if they **make a Good Faith Effort to employ apprentices** but fail.

Good Faith Effort means a request for qualified apprentices were made from a Registered Apprenticeship program and

a) the request was denied by the Registered Apprenticeship program, or

b) the Registered Apprenticeship program failed to respond to the employer's request within five business days of receiving the request.

In the case of denial, the requestor cannot have refused to comply with the established standards or requirements of the Registered Apprenticeship program. It is advisable to obtain *and save in the project file* a receipt that indicates when the request was received. The receipt provides the provision was met in case of audit.

Fines are increased by 10 fold ($500/hour x total required apprentice labor hours) for intentional disregard of the requirement.

- IRC § 45(d)(8)(D)(ii)

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