

Training Tax Credits for Apprentices

Income Tax Act (British Columbia)

Are you an apprentice registered with the Industry Training Authority?

Do you need to know how to claim your training tax credit?

This bulletin provides specific information on Training Tax Credits for apprentices. The program provides refundable tax credits for individuals registered in an apprenticeship program with their sponsor through the Industry Training Authority.

Effective January 1, 2007 to December 31, 2011, if you are an apprentice, to claim the training tax credit, you must complete the *British Columbia Training Tax Credit (Individuals)* form (**T1014**) and include it when filing your *Individual Income Tax Return* form with the Canada Revenue Agency (CRA).

Employers, including corporations, partnerships and self-employed individuals, may also be eligible for the training tax credit. For more information, please see **Bulletin CIT 013**, *Training Tax Credits for Employers*.

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Industry Training Authority

The Industry Training Authority oversees British Columbia's industry training and apprenticeship system, including the administration of the Inter-provincial (Red Seal) and British Columbia recognized (non-Red Seal) training programs.

The Red Seal training programs follow national standards for content, assessment and achievement in trades, such as carpentry, electrical, plumbing and automotive repair.

Non-Red Seal training programs follow provincial standards and include trades, such as building envelope technician, cable splicer, and landscape horticulturist.

Eligibility Requirements

You are eligible for a training tax credit if you are an individual who is:

- a resident **in British Columbia** at the end of December 31 of the taxation year in which the credit is being claimed,
- registered as an apprentice in an eligible program with the Industry Training Authority, and
- not enrolled in a public high school, registered in a home schooling program or attending an independent school.

You may also be eligible for an enhanced tax credit if you are a First Nations person or a person with a disability.

Training Tax Credits

The two training tax credits available to you are:

- Basic Tax Credits for non-Red Seal training programs, and
- Completion Tax Credits for both Red Seal and non-Red Seal training programs.

Basic Tax Credit

The Basic Tax Credit is available when you complete level 1 or 2 of a British Columbia recognized (non-Red Seal) program on or after January 1, 2007. The eligible programs and requirements for completing level 1 or 2 are listed in the table at the end of this bulletin.

Completion Tax Credit

The Completion Tax Credit is available when you complete level 3 or higher of a Red Seal or non-Red Seal program on or after January 1, 2007. The eligible programs and requirements for completing levels 3 and higher are listed in the table at the end of this bulletin.

The chart below lists the amount of training tax credits available when you complete each level for the Basic and Completion credits. The level must be completed on or after January 1, 2007.

Please note: Levels completed prior to 2007 are not eligible.

Training Tax Credit	Level Completed in the year	Non-Red Seal Program	Red Seal Program
Basic	1	\$1,000	N/A*
Basic	2	\$1,000	N/A*
Completion	3	\$2,000	\$2,000
Completion	4 or Higher	\$2,500	\$2,500

*As the federal government provides an Apprenticeship Incentive Grant of \$1,000 to apprentices in the first two years of a Red Seal program, British Columbia does not provide a training tax credit for completing the first two levels of a Red Seal program.

For more information on the federal government's Apprenticeship Incentive Grant, please visit their website at www.hrsdc.gc.ca/en/workplaceskills/trades_apprenticeship/aig/index.shtml

Please note: If you are in a non-Red Seal program that has 5 levels, you may be eligible to receive \$2,000 in Basic Tax Credits and \$7,000 in Completion Tax Credits, for a total of \$9,000.

Completion of a Level/Graduate Program

To complete a level, you must:

- complete a certain number of work-based hours, or
- complete a specific level, or
- graduate from a program.

The information above will be shown on your transcript that you receive from the Industry Training Authority. Please refer to the table at the end of this bulletin to see which completion requirements apply to you.

Completing Work-Based Hours

For programs where levels are based on completing work-based hours, you must complete the number of required work-based hours to complete a level. The number of hours on your transcript must be **the same as, or greater than**, the number of hours that are required to complete a level. All of your work-based related hours **must be** submitted to the Industry Training Authority to claim your credits. If the number of hours on your transcript is less than the total required for a level (see table at the end of this bulletin), you **will not** be eligible for the credit for the level for that year.

For example, if you are registered with the Industry Training Authority for the Aircraft Maintenance Technician program, you are required to work 1,800 work-based hours to complete level 1. You can claim your Basic Tax Credit of \$1,000 once your transcript shows that you have completed the 1,800 work-based hours.

Completing a Specific Level

For programs where levels are based on completing a technical level, the Industry Training Authority will issue you a transcript. Your transcript that is provided from the Industry Training Authority will be updated each time you complete a level.

For example, if you are registered with the Industry Training Authority for the Plumbing program, the completion requirement for level 3 is “complete level 3” (see table at the end of this bulletin). Once your transcript indicates you have completed level 3, you **will be** eligible to claim a Completion Tax Credit of \$2,000.

Graduating a Program

To graduate a program, you must meet all of the Industry Training Authority’s requirements for that program. This may mean the completion of a specific number of hours and/or levels. When you have completed all of the requirements, you will receive either the:

- **Basic Tax Credit**
 - A Certificate of Qualification or a Certificate of Apprenticeship.
- **Completion Tax Credit**
 - A Certificate of Qualification, a Certificate of Apprenticeship or Certificate of Qualification with an Inter-Provincial Red Seal Endorsement.

Please note: If you receive more than one certificate, or a certificate and a Red Seal Endorsement for graduating from the same program, you can only claim one credit for that program.

Enhanced Tax Credit

If you are a First Nations person or a person with a disability, Enhanced Tax Credits are available where:

- you are entitled to a Disability Tax Credit under the federal *Income Tax Act*, or
 - you are registered as an Indian under the *Indian Act* (Canada),
- and
- you are entitled to a Basic Tax Credit or Completion Tax Credit for the year, or
 - you have received a federal Apprenticeship Incentive Grant for the year.

The chart below lists the total amount of Enhanced Tax Credits that are available. The amounts include the Basic and Completion Tax Credit amounts for each level completed.

Training Tax Credit	Level Completed in the year	Enhanced Non-Red Seal Program	Enhanced Red Seal Program
Basic	1	\$1,500	\$500*
Basic	2	\$1,500	\$500*
Completion	3	\$3,000	\$3,000
Completion	4 or Higher	\$3,750	\$3,750

*As the federal government provides an Apprenticeship Incentive Grant of \$1,000 to apprentices in the first two years of a Red Seal program, British Columbia only provides an Enhanced Tax Credit of \$500 for the first two years of a Red Seal program.

For more information on the federal government's Apprenticeship Incentive Grant, please visit their website at www.hrsdc.gc.ca/en/workplaceskills/trades_apprenticeship/aig/index.shtml

For example, if you graduate from the Florist program, you will have completed level 2 requirements and you will be eligible for the Basic Tax Credit. If you are also eligible for the federal Disability Tax Credit, you will be eligible for the Basic Tax Credit of \$1,000, plus the Enhanced Tax Credit of \$500 for a total credit of \$1,500. The requirements to complete a level of the Florist program are listed in the table at the end of this bulletin.

Applying for the Credit

Filing Requirements

You need to file your **T1014** form within **36 months** of the end of the taxation year that you completed a level and for the credit being claimed.

For example, if you completed level 1 in 2007 and the filing due date for your 2007 income tax return is April 30, 2008; you must submit your **T1014** form to the CRA by December 31, 2010.

The training tax credit is a fully refundable tax credit. You must apply the credit against your total taxes payable. If your credit exceeds your total taxes payable, the excess of the credit will be paid out as a refund.

You may claim more than one credit during a taxation year if you meet the requirements of more than one level during a taxation year.

For example, if you complete levels 3 and 4 of the Glazier program during 2007, you will be entitled to a Completion Tax Credit of \$2,000 for the completion of level 3 and a Completion Tax Credit of \$2,500 for the completion of level 4. The total amount of the credit for the 2007 taxation year will be \$4,500.

If you owe \$3,500 in federal and provincial taxes, you can use the training tax credit to reduce the taxes owed. The remainder of the credit equal to \$1,000 (\$4,500 - \$3,500) will be paid to you as a tax refund.

You must submit the **T1014** form with your **T1 Individual Income Tax Return** to the CRA and include the required documents as listed below.

Required Documentation

Basic Tax Credit or Completion Tax Credit

If you are claiming a Basic Tax Credit or Completion Tax Credit, you may be required to provide a copy of your transcript from the Industry Training Authority. If you are required to graduate from a program, you may be required to provide a copy of your Certificate of Qualification or Certificate of Apprenticeship.

Enhanced Tax Credit

If you are claiming an Enhanced Tax Credit and are registered as an Indian under the *Indian Act* (Canada), you may be required to provide a copy of your *Certificate of Indian Status* card.

If you are claiming an Enhanced Tax Credit and are entitled to a deduction for the federal Disability Tax Credit, you may be required to provide proof of entitlement.



Need more info?

Training Tax Credit website: www.sbr.gov.bc.ca/business/Income_Taxes/ttc/

Ministry of Small Business and Revenue

Income Taxation Branch
PO Box 9444 Stn Prov Govt
Victoria BC V8W 9W8

Telephone: 250 387-3332
Service BC: 1 800 663-7867
Fax: 250 356-9243
E-mail: ITBTaxQuestions@gov.bc.ca

Canada Revenue Agency

Surrey Tax Centre
9755 King George Highway
Surrey BC V3T 5E1

Toll-free in Canada: 1 800 959-8281
Website: www.cra-arc.gc.ca

Industry Training Authority

Suite 110, 2985 Virtual Way
Vancouver BC V5M 4X7

Telephone: 778 328-8700
Toll-free in British Columbia: 1 866 660-6011
Fax: 778 328-8701
Email: customerservice@itabc.ca
Website: www.itabc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Income Tax Act* and Regulation are on our website at www.gov.bc.ca/sbr/

References: *Income Tax Act*, Sections 116 to 131 and *Training Tax Credits Regulation*

Table of Eligible Programs and Completion Requirements

The table below shows the requirements you need to complete each level (1 to 5) of an eligible program for the Training Tax Credit (TTC). The table includes the British Columbia (non-Red Seal) programs and the Inter-provincial (Red Seal) programs.

Please note: For complete program information, see the section above, Completion of a Level/Graduate Program.

Notes

1. An * beside the name of a program means that it is an Inter-provincial (Red Seal) program. British Columbia does not provide a TTC for levels 1 and 2 of these programs. A federal grant is provided by the federal government for completion of these levels.

For example, if you are registered in the Agricultural Equipment Technician program, TTC's are available for levels 3 and 4 (graduate program). You must apply to the federal government for the federal grant for the completion of levels 1 and 2.

2. N/A means that there is no TTC available for the level shown.
3. Two ** beside N/A means that you may be eligible for the federal Apprenticeship Incentive Grant.

TABLE	Requirements for Completion				
Program	Level 1	Level 2	Level 3	Level 4	Level 5
Agricultural Equipment Technician*	N/A**	N/A**	complete level 3	graduate program	N/A
Aircraft Maintenance Technician	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Aircraft Structural Technician	complete level 1	complete level 2	complete level 3	graduate program	N/A
Appliance Service Technician*	N/A**	N/A**	complete 5400 work-based hours	graduate program	N/A
Arboriculturist (urban forestry)	complete level 1	complete level 2	complete level 3	graduate program	N/A
Architectural Sheet Metal Worker	complete level 1	graduate program	N/A	N/A	N/A
Asphalt Paving/Laydown Technician	graduate program	N/A	N/A	N/A	N/A
Automatic Transmission Service Technician	complete 1680 work-based hours	complete 3360 work-based hours	graduate program	N/A	N/A

TABLE	Requirements for Completion				
Program	Level 1	Level 2	Level 3	Level 4	Level 5
Automotive Glass Technician	complete 1760 work- based hours	complete 3520 work- based hours	graduate program	N/A	N/A
Automotive Machinist	complete 1700 work-based hours	complete 3400 work-based hours	complete 5100 work-based hours	graduate program	N/A
Automotive Painter*	N/A**	N/A**	graduate program	N/A	N/A
Automotive Refinishing Prep Technician	graduate program	N/A	N/A	N/A	N/A
Automotive Service Technician Level 1	N/A**	N/A	N/A	N/A	N/A
Automotive Service Technician Level 2	N/A	N/A**	N/A	N/A	N/A
Automotive Service Technician Level 3	N/A	N/A	graduate program	N/A	N/A
Automotive Service Technician Level 4*	N/A	N/A	N/A	graduate program	N/A
Automotive Upholsterer	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Automotive Wheel Alignment and Brake Service Technician	complete 1700 work-based hours	graduate program	N/A	N/A	N/A
Baker*	N/A**	N/A**	graduate program	N/A	N/A
Barber	complete 1335 work-based hours	complete 2670 work-based hours	graduate program	N/A	N/A
Boilermaker*	N/A**	N/A**	graduate program	N/A	N/A
Bricklayer*	N/A**	N/A**	complete level 3	graduate program	N/A
Building Envelope Technician	graduate program	N/A	N/A	N/A	N/A
Cabinetmaker*	N/A**	N/A**	complete level 3	graduate program	N/A
Cable Splicer	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Carpenter*	N/A**	N/A**	complete level 3	graduate program	N/A
Communication Technician	complete level 1	complete level 2	complete level 3	graduate program	N/A
Community Antenna Television Technician	complete 1500 work-based hours	complete 3000 work-based hours	complete 4500 work-based hours	graduate program	N/A
Concrete Finisher*	N/A**	N/A**	graduate program	N/A	N/A
Construction Electrician*	N/A**	N/A**	complete level 3	graduate program	N/A
Construction Formwork Technician	complete level 1	graduate program	N/A	N/A	N/A

TABLE	Requirements for Completion				
Program	Level 1	Level 2	Level 3	Level 4	Level 5
Cook*	N/A**	N/A**	graduate program	N/A	N/A
Dairy Production Technician	complete 1800 work-based hours	graduate program	N/A	N/A	N/A
Diesel Engine Mechanic	complete 1600 work-based hours	complete 3200 work-based hours	complete 4800 work-based hours	graduate program	N/A
Diesel Fuel Injection Mechanic	complete 1600 work-based hours	complete 3200 work-based hours	complete 4800 work-based hours	graduate program	N/A
Domestic/Commercial Gas Fitter	complete level 1	graduate program	N/A	N/A	N/A
Drywall Finisher	complete level 1	complete level 2	graduate program	N/A	N/A
Electric Motor Systems Technician*	N/A**	N/A**	complete level 3	graduate program	N/A
Electronics Communication Technician	complete 1800 work-based hours	complete 3600 work-based hours	graduate program	N/A	N/A
Electronics Technician	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Electronics Technician (consumer products)*	N/A**	N/A**	complete 5400 work-based hours	graduate program	N/A
Electro-Plater	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Elevator Mechanic	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Embalmer and Funeral Director	complete level 1	graduate program	N/A	N/A	N/A
Floor Covering Installer*	N/A**	N/A**	graduate program	N/A	N/A
Florist	complete 1800 work-based hours	graduate program	N/A	N/A	N/A
Forklift Mechanic	complete 1600 work-based hours	complete 3200 work-based hours	complete 4800 work-based hours	graduate program	N/A
Funeral Director	complete level 1	graduate program	N/A	N/A	N/A
Glazier*	N/A**	N/A**	complete 4800 work-based hours	graduate program	N/A
Graphic Arts (Bookbinder 1)	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A

TABLE	Requirements for Completion				
	Level 1	Level 2	Level 3	Level 4	Level 5
Graphic Arts – Litho Press Person (web, sheet fed, rotary and gravure)	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Hairstylist*	N/A**	N/A**	N/A	N/A	N/A
Hardwood Floor Layer	complete 1600 work-based hours	complete 3200 work-based hours	graduate program	N/A	N/A
Heavy Duty Equipment Technician (Mechanic)*	N/A**	N/A**	complete level 3	graduate program	N/A
Heavy Equipment Operator Technician	graduate program	N/A	N/A	N/A	N/A
Hydraulic Crane Operator	complete 1500 work-based hours	complete 3000 work-based hours	graduate program	N/A	N/A
Hydraulic Service Mechanic	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	complete 7200 work-based hours	graduate program
Inboard/Outboard Mechanic	complete level 1	complete level 2	complete level 3	graduate program	N/A
Industrial Engines and Equipment Parts Person	complete level 1	complete level 2	graduate program	N/A	N/A
Instrumentation and Control Technician (Industrial Instrument Mechanic)*	N/A**	N/A**	complete level 3	complete level 4	graduate program
Industrial Mechanic (Millwright)*	N/A**	N/A**	complete level 3	graduate program	N/A
Industrial Warehouse Person	complete level 1	complete level 2	graduate program	N/A	N/A
Insulator (heat and frost)*	N/A**	N/A**	complete level 3	graduate program	N/A
Ironworker (Generalist)*	N/A**	N/A**	graduate program	N/A	N/A
Landscape Horticulturist	complete level 1	complete level 2	complete level 3	graduate program	N/A
Lather (Interior Systems Mechanic)*	N/A**	N/A**	graduate program	N/A	N/A
Locksmith	complete 1800 work-based hours	graduate program	N/A	N/A	N/A
Log Builder	complete level 1	complete level 2	complete level 3	graduate program	N/A
Lumber Manufacturing Industry (Bench Person)	graduate program	N/A	N/A	N/A	N/A
Lumber Manufacturing Industry (Circular Saw Filer)	graduate program	N/A	N/A	N/A	N/A
Lumber Manufacturing Industry (Saw Fitter)	complete level 1	graduate program	N/A	N/A	N/A
Machinist*	N/A**	N/A**	complete level 3	graduate program	N/A

TABLE	Requirements for Completion				
Program	Level 1	Level 2	Level 3	Level 4	Level 5
Marine Engine Mechanic	complete 1590 work-based hours	complete 3180 work-based hours	complete 4770 work-based hours	graduate program	N/A
Marine Repair Technician	complete level 1	complete level 2	complete level 3	graduate program	N/A
Meat Cutter	complete 1500 work-based hours	complete 3000 work-based hours	graduate program	N/A	N/A
Metal Fabricator (Fitter)*	N/A**	N/A**	complete level 3	graduate program	N/A
Meter Technician	complete 1575 work-based hours	complete 3150 work-based hours	complete 4725 work-based hours	graduate program	N/A
Mobile Crane Operator*	N/A**	N/A**	graduate program	N/A	N/A
Motion Picture and Theatre (Grip)	complete 900 work-based hours	graduate program	N/A	N/A	N/A
Motion Picture and Theatre (Set Dresser)	complete level 1	graduate program	N/A	N/A	N/A
Motor Vehicle Body Repairer (metal and paint)*	N/A**	N/A**	complete 5100 work-based hours	graduate program	N/A
Motorcycle Mechanic*	N/A**	N/A**	complete 4500 work-based hours	graduate program	N/A
Molder and Core Maker	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	graduate program	N/A
Oil Burner Mechanic*	N/A**	N/A**	complete 4800 work-based hours	graduate program	N/A
Outdoor Power Equipment Technician	complete level 1	complete level 2	complete level 3	graduate program	N/A
Painter and Decorator*	N/A**	N/A**	graduate program	N/A	N/A
Parts Person*	N/A**	N/A**	graduate program	N/A	N/A
Pile driver and Bridge Worker	complete level 1	complete level 2	graduate program	N/A	N/A
Planer Mill Maintenance Tech 1	graduate program	N/A	N/A	N/A	N/A
Planer Mill Maintenance Tech 2	complete level 1	graduate program	N/A	N/A	N/A
Plasterer	complete 1200 work-based hours	complete 2400 work-based hours	complete 3600 work-based hours	graduate program	N/A
Plumber*	N/A**	N/A**	complete level 3	graduate program	N/A
Power Line Technician*	N/A**	N/A**	complete level 3	graduate program	N/A
Production Horticulturist	complete level 1	complete level 2	complete level 3	graduate program	N/A

TABLE	Requirements for Completion				
Program	Level 1	Level 2	Level 3	Level 4	Level 5
Railway Car Technician	complete 1500 work-based hours	complete 3000 work-based hours	complete 4500 work-based hours	graduate program	N/A
Recreational Vehicle Service Technician*	N/A**	N/A**	complete level 3	graduate program	N/A
Refrigeration and Air Conditioning Mechanic*	N/A**	N/A**	complete level 3	graduate program	N/A
Reinforcing Steel Installer	complete level 1	graduate program	N/A	N/A	N/A
Residential Building Maintenance Worker	complete level 1	complete level 2	graduate program	N/A	N/A
Residential Construction Framing Technician	graduate program	N/A	N/A	N/A	N/A
Residential Steep Roofer	complete level 1	complete level 2	graduate program	N/A	N/A
Rig Technician 1	N/A**	N/A	N/A	N/A	N/A
Rig Technician 2	N/A	N/A**	N/A	N/A	N/A
Rig Technician 3*	N/A	N/A	graduate program	N/A	N/A
Roofer*	N/A**	N/A**	graduate program	N/A	N/A
Security Alarm Installer	complete 1800 work-based hours	graduate program	N/A	N/A	N/A
Sheet Metal Worker*	N/A**	N/A**	complete level 3	graduate program	N/A
Sprinkler System Installer*	N/A**	N/A**	complete level 3	graduate program	N/A
Steamfitter (Pipe Fitter)	N/A**	N/A**	complete level 3	graduate program	N/A
Telecontrol Technologist	complete 1800 work-based hours	complete 3600 work-based hours	complete 5400 work-based hours	complete 7200 work-based hours	graduate program
Tile Setter*	N/A**	N/A**	graduate program	N/A	N/A
Tire Repairer	complete 1800 work-based hours	graduate program	N/A	N/A	N/A
Tool and Die Maker*	N/A**	N/A**	complete level 3	graduate program	N/A
Transport Refrigeration Mechanic	complete 1600 work-based hours	complete 3200 work-based hours	graduate program	N/A	N/A
Transport Trailer Technician*	N/A**	N/A**	graduate program	N/A	N/A
Truck and Transport Mechanic*	N/A**	N/A**	complete level 3	graduate program	N/A
Utility Arborist	complete level 1	graduate program	N/A	N/A	N/A
Water Well Driller	complete level 1	graduate program	N/A	N/A	N/A

TABLE	Requirements for Completion				
Program	Level 1	Level 2	Level 3	Level 4	Level 5
Welder (level "A")*	N/A	N/A	graduate program	N/A	N/A
Welder (level "B")*	N/A	N/A**	N/A	N/A	N/A
Welder (level "C")	graduate program	N/A	N/A	N/A	N/A