

HB517 ENROLLED



1 HB517
2 YM4Z522-3
3 By Representatives Lomax, Whitt, Paramore, Crawford, Reynolds,
4 Rigsby, Crow, DuBose, Ingram
5 RFD: Ways and Means Education
6 First Read: 26-Feb-26



HB517 Enrolled

1 Enrolled, An Act,

2
3 Relating to career and technical education; to enact
4 the Talent Readiness and Industry Needs (TRAIN) Act; to
5 authorize businesses to partner with eligible educational
6 institutions to provide career and technical education
7 instruction to students; to provide state income and financial
8 institution excise tax credits to employers that loan
9 qualified employees to serve as instructors in career and
10 technical education programs at eligible educational
11 institutions or make donations to eligible educational
12 institutions for curriculum advancement and supplementing
13 salaries; and to establish a workforce teaching certificate
14 and a streamlined process for qualified employees to obtain a
15 certificate to teach a designated career and technical
16 education program at an eligible educational institution.

17 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

18 Section 1. This act shall be known and may be cited as
19 the Talent Readiness and Industry Needs (TRAIN) Act.

20 Section 2. The Legislature finds that Career and
21 Technical Education (CTE) plays a vital role in preparing
22 students for in-demand careers across a range of industries
23 including manufacturing, information technology, construction,
24 and skilled trades. Many school districts across the state
25 face challenges in recruiting and retaining qualified CTE
26 instructors due to certification barriers, regional shortages,
27 and competition with private-sector wages. The involvement of
28 current industry professionals in the classroom could provide



HB517 Enrolled

29 students with direct exposure to up-to-date, real-world
30 knowledge and practices, thereby improving educational
31 outcomes and workforce readiness. The Legislature also finds
32 that public-private partnerships between schools and industry
33 are essential to closing the skills gap and ensuring that
34 education aligns with the evolving needs of the economy. The
35 TRAIN Act would provide an opportunity for the private sector
36 to partner with eligible educational institutions to provide
37 CTE instruction to students and provide for industry
38 professionals to obtain CTE certification. Therefore, it is
39 the intent of the Legislature to establish a targeted income
40 tax credit to incentivize employers to loan qualified
41 employees to serve as instructors in CTE programs at eligible
42 educational institutions in order to promote workforce
43 development and economic growth.

44 Section 3. For the purposes of this act, the following
45 terms have the following meanings:

46 (1) ALABAMA COMMUNITY COLLEGE. Any public two-year
47 institution of higher education under the control of the Board
48 of Trustees of the Alabama Community College System.

49 (2) COMMUNITY DEVELOPMENT FOUNDATION. An Alabama
50 nonprofit corporation that is organized under 26 U.S.C.
51 §501(c)(3) and functions as a community organization that
52 provides, develops, and oversees workforce training curriculum
53 in a particular community in the state or has an expertise in
54 a designated CTE program.

55 (3) DEPARTMENT. The State Department of Education.

56 (4) DESIGNATED CTE PROGRAM. A career and technical



HB517 Enrolled

57 education program for grade 9 or higher at an eligible
58 educational institution in a high-demand sector. The
59 high-demand sectors eligible for this designation shall be
60 reviewed and approved annually by the Executive Committee of
61 the Alabama Workforce Board, which shall provide notice to the
62 Department of Workforce and the department regarding its
63 approval or denial by March 31 of each year to be eligible for
64 the next academic year.

65 (5) ELIGIBLE EDUCATIONAL INSTITUTION. An Alabama
66 community college, a local education agency, a public high
67 school, or a community development foundation.

68 (6) EMPLOYER. A corporation, partnership, limited
69 liability company, or other business entity registered to do
70 business in this state and in good standing with the
71 Department of Revenue.

72 (7) PUBLIC HIGH SCHOOL. A public secondary school
73 operated by a local education agency in this state that
74 provides instruction in any grade from 9 through 12 that
75 offers an approved career and technical education program as
76 recognized by the department.

77 (8) QUALIFIED EMPLOYEE. An individual employed by an
78 employer who:

79 a. Possesses a Bachelor's degree or other certification
80 or experience or combination thereof equivalent to those
81 accepted by the department;

82 b. Has not less than three years of occupational
83 experience or appropriate industry-recognized certification in
84 a relevant field corresponding to a designated CTE program;



HB517 Enrolled

85 c. Has a history of positive performance reviews from
86 his or her employer; and

87 d. Has successfully passed a criminal history
88 background check and meets any other screening requirements of
89 the eligible educational institution.

90 A qualified employee will not be a public employee or a
91 loaned employee for purposes of the Alabama Ethics Act.

92 (9) SALARY. The actual wages or compensation paid by an
93 employer to a qualified employee during a teaching assignment.

94 (10) TEACHING ASSIGNMENT. The agreed-upon period during
95 which a qualified employee is loaned by an employer to an
96 eligible educational institution to serve as an instructor in
97 a designated CTE program, provided that the assignment shall
98 consist of weekly in-person attendance at the school and no
99 less than 300 hours of direct instruction to students within
100 an academic year or another minimum time requirement
101 established by the department.

102 (11) WORKFORCE TEACHING CERTIFICATE. A temporary
103 teaching certificate issued to a qualified employee that
104 authorizes the employee to teach a designated CTE program at
105 an eligible educational institution and may be treated as a
106 renewable certificate by the department.

107 Section 4. Creation of the TRAIN Credit; Eligibility.

108 (a) There is hereby created a tax credit that an
109 employer may apply against any of the following:

110 (1) To offset the income taxes levied in Chapter 18 of
111 Title 40, Code of Alabama 1975.

112 (2) To offset the state portion of the financial



HB517 Enrolled

113 institution excise tax levied in Chapter 16 of Title 40, Code
114 of Alabama 1975.

115 (b) (1) The amount of the tax credit shall equal the
116 portion of the qualified employee's salary paid by the
117 employer for time directly attributable to the teaching
118 assignment in the applicable tax year, subject to the
119 limitations provided in this section.

120 (2)a. Notwithstanding subdivision (1), a taxpayer may
121 claim a tax credit to offset eligible taxes for donations to a
122 community development foundation to support a designated CTE
123 program or to supplement the salaries of instructors who teach
124 a designated CTE program.

125 b. For any donation made to a community development
126 foundation to supplement the salary of an instructor to teach
127 a designated CTE program, the instructor must teach a minimum
128 number of hours in the classroom, as determined by an Alabama
129 community college, a local education agency, or a public high
130 school.

131 (c) Subject to the provisions of this act, an employer
132 shall be eligible to claim a credit if it meets all of the
133 following conditions:

134 (1) The employer enters into a memorandum of
135 understanding (MOU) or other agreement between the eligible
136 educational institution and the employer that outlines the
137 conditions under which a qualified employee with a workforce
138 teaching certificate or other teaching certificate would be
139 authorized to participate in a teaching assignment in a
140 designated CTE program. Each MOU or agreement between an



HB517 Enrolled

141 employer and an eligible educational institution, at a
142 minimum, shall include all of the following:

143 a. The name of the qualified employee and a description
144 of the designated CTE program in which instruction will occur.

145 b. The duration of the teaching assignment, including
146 total instructional hours and term or terms covered.

147 c. A statement confirming that the employer will
148 continue to pay the qualified employee's full salary and
149 benefits during the teaching assignment. A qualified employee
150 is not entitled to any compensation from an eligible
151 educational institution, but the institution may elect to
152 compensate a qualified employee in whatever manner it deems
153 appropriate.

154 d. A certification by the employer that the qualified
155 employee has passed, or will pass prior to beginning the
156 teaching assignment, all background screening requirements as
157 required by the eligible educational institution.

158 e. The method of verifying attendance, instructional
159 hours, and program completion for purposes of credit
160 certification.

161 f. A provision authorizing the department to inspect
162 records and verify compliance.

163 g. A provision acknowledging that noncompliance with
164 any of these requirements may result in recapture of the tax
165 credit, as provided in this act.

166 h. A statement that the employer shall maintain
167 workers' compensation and general liability coverage for the
168 qualified employee during the teaching assignment.



HB517 Enrolled

169 i. A statement regarding liability for actions
170 performed by the qualified employee in furtherance of the
171 teaching assignment.

172 (2) The employer has received a TRAIN Act credit
173 reservation certificate from the department for an approved
174 agreement with an eligible educational institution.

175 (3) The employer continues to pay the qualified
176 employee's full salary and benefits during the teaching
177 assignment.

178 (4) The eligible educational institution provides the
179 qualified employee with the classroom space, equipment, and
180 other instructional materials required to conduct the teaching
181 assignment unless otherwise agreed to in the MOU.

182 (d) To the extent that a tax credit is used by an
183 employer, the employer shall not be allowed any deduction that
184 would have otherwise been allowed for the employer's payment
185 of the qualified employee's salary or for donations to an
186 eligible educational institution. Credits may only be claimed
187 by the employer and may not be assigned or transferred to any
188 other taxpayer, provided the credit issued to a parent or
189 holding company may be claimed by the subsidiary, provided
190 both parent or holding company and subsidiary are filing as
191 part of an Alabama consolidated return, as defined under
192 Section 40-18-39, Code of Alabama 1975.

193 (e) In no event shall the credit cause a taxpayer's tax
194 liability to be reduced by more than 50 percent. Unused
195 credits may be carried forward for no more than five years but
196 shall not be transferable.



HB517 Enrolled

197 (f) In the event that a teaching assignment is not
198 completed in full, the credit shall be prorated and available
199 to the employer only for the portion of the salary paid for
200 services actually rendered by the qualified employee and
201 accepted by the eligible educational institution. If an
202 agreement is terminated by the eligible educational
203 institution, the Department of Revenue, after consultation
204 with the department, may disallow the credit in its entirety
205 for that tax year.

206 (g) The tax credits may be claimed beginning January 1,
207 2027.

208 (h) The statewide annual aggregate of tax credits
209 allowed under this section shall not exceed ten million
210 dollars (\$10,000,000), provided that credits claimed by
211 entities making donations to community development foundations
212 may not exceed four million dollars (\$4,000,000) in any single
213 calendar year.

214 (i) Notwithstanding any other provision of this act,
215 the total amount of credit that may be reserved and claimed by
216 any single taxpayer shall not exceed two hundred fifty
217 thousand dollars (\$250,000) in a calendar year. The department
218 shall ensure that no credit reservation certificate is issued
219 that would cause a taxpayer to exceed this limitation.

220 Section 5. Forms; Construction of Article; Rulemaking
221 Authority.

222 (a) All findings and applications made with any
223 department of the state government shall be made using forms
224 adopted by the department. The filing shall be treated as a



HB517 Enrolled

225 tax return, subject to penalties imposed by the Department of
226 Revenue.

227 (b) Nothing in this article shall be construed to
228 constitute a guarantee or assumption by the state of any debt
229 of any company nor to authorize the credit of the state to be
230 given, pledged, or loaned to any company.

231 (c) Nothing in this article shall be construed to make
232 available to any taxpayer any right to the benefits conferred
233 by this article absent strict compliance with this article.

234 (d) Nothing in this article shall be construed to limit
235 the powers otherwise existing for the Department of Revenue to
236 audit and assess a taxpayer claiming the credit.

237 (e) The department is authorized to work with the
238 Department of Revenue and the Department of Workforce to adopt
239 rules as necessary to implement and administer this article.

240 Section 6. Administration.

241 (a) The Department of Revenue may adopt rules and
242 regulations for implementation and enforcement.

243 (b) The department shall establish a process to approve
244 agreements, and the Department of Revenue shall allow tax
245 credits in accordance with the following:

246 (1) Upon receipt of an executed agreement, the
247 department shall issue a TRAIN Act credit reservation
248 certificate to the employer.

249 (2) The certificate shall state the maximum amount of
250 credit reserved for the employer and the corresponding
251 teaching assignment, which may span multiple tax years.

252 (3) Tax credits reserved by certificates issued in a



HB517 Enrolled

253 prior calendar year shall count against the cap for the
254 calendar year in which the certificate was issued.

255 (4) The department shall track credit reservations by
256 taxpayer and shall deny or reduce any requested reservation
257 that would cause the taxpayer to exceed the per-taxpayer
258 limitation established in Section 4(i).

259 (c) The department, in consultation with the Department
260 of Workforce and the Executive Committee of the Alabama
261 Workforce Board, shall administer the process for approving
262 designated CTE programs that are eligible for participation
263 under this act, pursuant to the annual sector approvals
264 provided in Section 3(3).

265 (d) In order to claim a tax credit, a taxpayer must
266 file the appropriate forms with the Department of Revenue and
267 provide a copy of its TRAIN Act credit reservation
268 certificate, documentation of the agreement, proof of salary
269 payments made during the tax year for which the credit is
270 claimed, proof of donations to a community development
271 foundation made pursuant to this act for the tax year for
272 which the credit is claimed, and any other information
273 required by the Department of Revenue.

274 (e) The department, with information from the
275 Department of Revenue as requested, shall submit an annual
276 report by the third legislative day of each regular session of
277 the Legislature to the Governor, the Speaker of the House of
278 Representatives, the President Pro Tempore of the Senate, and
279 the Legislative Fiscal Officer summarizing:

280 (1) The number of tax credits approved and claimed;



HB517 Enrolled

281 (2) The number of employers, qualified employees, and
282 institutions participating;

283 (3) Geographic distribution; and

284 (4) Program outcomes.

285 (f) No later than July 1, 2031, the department shall
286 submit to the Governor and the Legislature a report evaluating
287 the effectiveness of the TRAIN Act, including data on
288 participation, geographic distribution, and workforce
289 outcomes, and shall include recommendations as to whether the
290 program should be extended, modified, or allowed to expire.

291 Section 7. The tax credits provided in this article
292 shall not be available for employers as described in this
293 article, for which agreements are not approved on or prior to
294 December 31, 2031, unless the Legislature enacts legislation
295 to extend the date. This shall only affect the availability of
296 credits for applications not approved on or prior to December
297 31, 2031, and shall not cause a reduction or suspension of any
298 credits awarded on or prior to December 31, 2031.

299 Section 8. Certification Process.

300 (a) In order to support statewide workforce development
301 initiatives, it is necessary to establish a streamlined
302 process by which private sector employees may teach a
303 qualified CTE program at an eligible educational institution.

304 (b) The department, in consultation with the Department
305 of Workforce, is authorized to adopt the rules and criteria
306 for the establishment and issuance of a workforce teaching
307 certificate that would authorize a qualified employee to serve
308 as a classroom teacher at an eligible educational institution



HB517 Enrolled

309 while still employed and paid by a private sector employer.

310 (c) The workforce teaching certificate shall authorize
311 a qualified employee to engage in the following:

312 (1) To accept a teaching assignment, serve as a
313 classroom teacher, and provide direct instruction for a
314 qualified CTE program.

315 (2) To enter grades, maintain instructional records,
316 and perform duties customarily exercised by full-time
317 instructors, subject to approval by an eligible educational
318 institution.

319 (3) Other duties as determined by the eligible
320 educational institution.

321 (d) A qualified employee may not receive a workforce
322 teaching certificate until after he or she has successfully
323 passed a criminal history background check and obtained
324 clearance from the department in accordance with the
325 requirements of Section 16-22A-5, Code of Alabama 1975.

326 (e) The department may terminate an individual's
327 workforce teaching certificate at any time for cause. An
328 eligible educational institution may terminate an agreement
329 with an employer that is entered into in accordance with the
330 requirements of this act at any time if the qualified
331 employee:

332 (1) Has his or her workforce teaching certificate
333 terminated;

334 (2) Does not comply with the requirements of the
335 agreement; or

336 (3) Does not conduct the teaching assignment at the



HB517 Enrolled

337 expected level of performance.

338 (f) The department shall develop and administer a
339 training program that must be taken and passed by a qualified
340 employee prior to the issuance of a workforce teaching
341 certificate and that individual beginning a teaching
342 assignment. The training program shall be offered online. The
343 training program should be limited in scope and duration, and
344 the program's instructional time should not exceed what is
345 reasonably necessary to conduct a teaching assignment. The
346 training program could include the entry level occupational
347 proficiency assessment that is approved by the department, if
348 applicable, but it must provide targeted instruction in: (i)
349 classroom management; (ii) basic instructional methods; (iii)
350 student safety and legal compliance; and (iv) grading
351 standards and assessment fundamentals.

352 (g) The department is authorized to set the term of a
353 workforce teaching certificate and the process by which a
354 certificate may be renewed or terminated.

355 (h) The holder of a workforce teaching certificate
356 shall not be personally liable for acts or omissions
357 undertaken in performance of assigned instruction or
358 supervisory duties. This protection shall not apply to
359 willful, wanton, or intentional acts of misconduct, and shall
360 be administered consistent with Section 16-28C-4, Code of
361 Alabama 1975.

362 (i) Neither the department nor an eligible educational
363 institution shall be liable for any acts of the qualified
364 employee.



HB517 Enrolled

365 Section 9. This act shall become effective on October
366 1, 2026.



HB517 Enrolled

367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402

Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 05-Mar-26, as amended.

John Treadwell
Clerk

	<hr/>	
Senate	<hr/> 08-Apr-26 <hr/>	Amended and Passed
House	<hr/> 09-Apr-26 <hr/>	Concurred in Senate Amendment