

1 HB260
2 118595-2
3 By Representative Bentley
4 RFD: Education Appropriations
5 First Read: 14-JAN-10

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ENGROSSED

A BILL
TO BE ENTITLED
AN ACT

To provide an incentive for job creation for unemployed persons by creating an income tax deduction for businesses that hire certain unemployed persons.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This Act will be known as the "Reemployment Act of 2010."

Section 2. (a) An Alabama income tax deduction is hereby established for employers that create new jobs for unemployed persons. The deduction shall equal fifty percent (50%) of the gross wages paid to each person hired by an employer who, at the time of such employment, was drawing unemployment compensation or whose unemployment benefits had expired. The unemployment status of the employee at the time of the employment shall be certified by the local employment agency. The deduction may be claimed in only one tax year and may not be claimed until the employee has been continuously employed by the employer for twelve months following the hire date. The deduction shall be allowed against the tax imposed by Chapter 18, Title 40 of the Code of Alabama 1975. The

1 deduction is not refundable or transferable. The deduction
2 shall be available, on a pro rata basis, to the owners of
3 qualified employers that are entities taxed under sub-chapters
4 S or K of the Internal Revenue Code.

5 (b) The deduction allowed in subsection (a) above
6 shall be further limited as follows:

7 (1) A 50% deduction would be limited to wage rates
8 \$14 per hour and above.

9 (2) A 40% deduction would be granted for wage rates
10 between \$12 and \$14 per hour.

11 (3) A 35% deduction would be granted for wage rates
12 between \$10 and \$12 per hour.

13 (4) No deduction would be granted for jobs paying
14 less than \$10 per hour.

15 (5) No deductions would be granted for less than
16 full time jobs (37.5 hours).

17 Section 3. The Department of Revenue shall have the
18 authority to adopt such rules and regulations as necessary to
19 carry out the provisions of this act.

20 Section 4. The provisions of this act are severable.
21 If any part of this act is declared invalid or
22 unconstitutional, that declaration shall not affect the part
23 which remains.

24 Section 5. All laws or parts of laws which conflict
25 with this act are hereby repealed.

1 Section 6. This Act shall become effective for the
2 ~~tax years beginning on or after January 1, 2010~~ tax years 2011
3 and 2012.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Education Appro-
priations 14-JAN-10

Read for the second time and placed
on the calendar with 1 substitute
and 17-FEB-10

Read for the third time and passed
as amended 23-FEB-10

Yeas 102, Nays 0, Abstains 0

Greg Pappas
Clerk