

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

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

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

3           (1) A 50% deduction would be limited to wage rates  
4 \$14 per hour and above.

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

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

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

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

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

16           Section 4. The provisions of this act are severable.  
17 If any part of this act is declared invalid or  
18 unconstitutional, that declaration shall not affect the part  
19 which remains.

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21 with this act are hereby repealed.

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

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Speaker of the House of Representatives

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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 23-FEB-10, as amended.

Greg Pappas  
Clerk

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Senate

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06-APR-10

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Passed