

1 HB260
2 116320-1
3 By Representative Bentley
4 RFD: Education Appropriations
5 First Read: 14-JAN-10

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8 SYNOPSIS: To encourage businesses to create jobs for
9 unemployed persons, this bill proposes an income
10 tax deduction for businesses that hire a person
11 presently drawing unemployment compensation or
12 whose unemployment compensation benefits have
13 expired. Such businesses will receive an income tax
14 deduction equal to fifty percent (50%) of the gross
15 wages paid to each such person hired and retained
16 as an employee for twelve consecutive months.

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18 A BILL
19 TO BE ENTITLED
20 AN ACT

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

25 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

1 Section 2. (a) An Alabama income tax deduction is
2 hereby established for employers that create new jobs for
3 unemployed persons. The deduction shall equal fifty percent
4 (50%) of the gross wages paid to each person hired by an
5 employer who, at the time of such employment, was drawing
6 unemployment compensation or whose unemployment benefits had
7 expired. The unemployment status of the employee at the time
8 of the employment shall be certified by the local employment
9 agency. The deduction may be claimed in only one tax year and
10 may not be claimed until the employee has been continuously
11 employed by the employer for twelve months following the hire
12 date. The deduction shall be allowed against the tax imposed
13 by Chapter 18, Title 40 of the Code of Alabama 1975. The
14 deduction is not refundable or transferable. The deduction
15 shall be available, on a pro rata basis, to the owners of
16 qualified employers that are entities taxed under sub-chapters
17 S or K of the Internal Revenue Code.

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

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

25 Section 5. All laws or parts of laws which conflict
26 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.