

1 SB402  
2 129425-1  
3 By Senators Sanford and Blackwell  
4 RFD: Finance and Taxation Education  
5 First Read: 14-APR-11

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8 SYNOPSIS: Under existing law, the Reemployment Act of  
9 2010 allows an income tax deduction for employers  
10 that hire unemployed persons.

11 This bill would repeal that act.

12 This bill would propose a tax credit for  
13 banks in Alabama that create jobs.

14 This bill would make legislative findings  
15 regarding the purpose of this act. Banks would  
16 receive an income tax credit equal to \$1,000 per  
17 new job paying more than \$10 per hour.

18  
19 A BILL

20 TO BE ENTITLED

21 AN ACT

22  
23 Relating to banks; to provide an incentive for banks  
24 that create jobs in Alabama; to make legislative findings  
25 regarding the purpose of this act; and to repeal Act 2010-557  
26 of the 2010 Regular Session (Acts 2010, p. 1132), now

1 appearing as Article 10 commencing at Section 40-18-270 of  
2 Chapter 18 of Title 40, Code of Alabama 1975.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. This act may be cited as the "Full  
5 Employment Act of 2011."

6 Section 2. The Legislature finds and determines, in  
7 accordance with its goal, shared by Governor Robert Bentley,  
8 of achieving statistical full employment for Alabama's  
9 citizens, that the Legislature intends to foster an optimal  
10 environment for job growth throughout the state.

11 Section 3. (a) An Alabama income tax credit is  
12 hereby established for banks that create new jobs paying more  
13 than ten dollars (\$10) per hour. The credit shall equal one  
14 thousand dollars (\$1,000) and shall be available in the tax  
15 year during which the employee has completed 12 months of  
16 consecutive employment.

17 (b) In order to qualify for the credit, the bank  
18 must have a net increase in the total number of full time  
19 employees in Alabama on the last date of each tax year for  
20 which it claims a credit, over the number employed in Alabama  
21 as of the last day of the tax year immediately preceding the  
22 first credit year. The increase must equal or exceed the  
23 number of newly hired employees for which a credit is sought  
24 by one employee for each newly hired employee for whom a  
25 credit is being sought for the current year, plus one employee  
26 for all employees for whom credits were claimed in prior  
27 years.

1           (c) The credit shall be allowed against the tax  
2 imposed by Chapter 18, Title 40 of the Code of Alabama 1975.  
3 This tax credit shall not be allowed to decrease a taxpayer's  
4 tax liability to less than zero. The credit is not refundable  
5 or transferable. The credit shall be available, on a pro rata  
6 basis, to the owners of qualified employers that are entities  
7 taxed under subchapters S or K of the Internal Revenue Code.

8           Section 4. The provisions of this act are severable.  
9 If any part of this act is declared invalid or  
10 unconstitutional, that declaration shall not affect the part  
11 which remains.

12           Section 5. All laws or parts of laws which conflict  
13 with this act are repealed. Act 2010-557 of the 2010 Regular  
14 Session (Acts 2010, p. 1132), now appearing as Article 10,  
15 commencing at Section 40-18-270 of Chapter 18 of Title 40,  
16 Code of Alabama 1975, is specifically repealed.

17           Section 6. This act shall become effective for the  
18 tax years beginning on or after January 1, 2011.