

1 HB152
2 134947-6
3 By Representatives Bridges, Wood, Buttram, Merrill, Boothe,
4 Poole, Farley, Treadaway, McClendon, Williams (J), Barton,
5 Greer, Nordgren, Johnson (W), Millican, McCutcheon, Rich,
6 Roberts, Shiver, Faust, Long, Fincher, Brown, Galliher, Lee,
7 Henry, Chesteen, Ball, Gaston, Moore (B), Tuggle, Johnson (K),
8 Collins, Baker, Weaver and Beckman
9 RFD: Ways and Means Education
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ENROLLED, An Act,

To provide a \$1,000 additional tax credit for job creation to employers for hiring recently deployed, and now discharged, unemployed veterans; and to provide a \$2,000 income tax credit to recently deployed, and now discharged, unemployed veterans who start their own businesses.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as the "Heroes for Hire" Tax Credit Act of 2012.

Section 2. In addition to the existing tax credit allowed for in the Full Employment Act of 2011, codified as Section 40-18-290 through 40-18-293, an additional \$1,000 tax credit for job creation is available if existing requirements of Section 40-18-290 through 40-18-293 are met along with the following definition:

(a) RECENTLY DEPLOYED UNEMPLOYED VETERAN. An individual who:

(1) Was a resident of Alabama at the time of entry into military service or was mobilized to active, federal military service while a member of the Alabama National Guard or other reserve unit located in Alabama, regardless of the resident's home of record;

1 (2) Received an honorable or general discharge from
2 active, federal military service within the two-year period
3 preceding the date of hire; and

4 (3) Has certification by the Department of
5 Industrial Relations at the time of hire of:

6 a. Collecting or being eligible to collect
7 unemployment benefits; or

8 b. Having exhausted his or her unemployment
9 benefits.

10 Section 3. For all tax years beginning on or after
11 January 1, 2012, a qualified employer subject to the
12 requirements of this act and Section 40-18-290 through
13 40-18-293, shall be eligible for an additional nonrefundable
14 credit against the income tax liability imposed or the state
15 portion of the financial institution excise tax owed in an
16 amount equal to \$1,000 for each new full-time recently
17 deployed unemployed veteran hired after the passage of this
18 act for a position, the majority of the duties of which are at
19 a business location within Alabama.

20 Section 4. (a) In addition to the definition in
21 Section 2 above, EXPENSE ASSOCIATED WITH A START-UP BUSINESS
22 is defined as:

23 (1) Expenses associated with the development of a
24 business plan;

1 (2) Professional services associated with the
2 formation of the business (e.g., attorney and accounting
3 services);

4 (3) An analysis or survey of potential markets,
5 products, labor supply, or transportation facilities;

6 (4) Advertisements for the opening of the business;

7 (5) Salaries and wages for employees who are being
8 trained and their instructors;

9 (6) Travel and other necessary costs for securing
10 prospective distributors, suppliers, or customers;

11 (7) Salaries and fees for executives and
12 consultants, or for similar professional services.

13 (b) For all tax years beginning on or after January
14 1, 2012, a recently deployed unemployed veteran shall be
15 eligible for a nonrefundable credit against the income tax
16 liability imposed in an amount up to a total of \$2,000 for
17 expenses associated with one start-up business in which the
18 recently deployed unemployed veteran holds at least 50-percent
19 ownership interest. A credit under this subsection may only be
20 taken for a business started after the passage of this act
21 that is located within Alabama and that shows a net profit of
22 at least \$3,000 for the year in which the credit is taken.

23 (c) An employer shall not claim the credit in
24 Section 3 of this bill for an employee who has claimed the
25 credit under Section 4 of this bill, and a recently deployed

1 unemployed veteran shall not claim the credit in Section 4 if
2 an employer has claimed his or her hire for the credit in
3 Section 3.

4 Section 5. (a) The Department of Industrial
5 Relations, in coordination with the Department of Revenue, the
6 Department of Economic and Community Affairs, and the
7 Department of Veterans' Affairs shall:

8 (1) Promote awareness of the recently deployed
9 unemployed veteran tax credit authorized in this act to
10 employers and eligible veterans;

11 (2) Establish procedures for prequalifying an
12 individual as a recently deployed unemployed veteran and for
13 providing notice to the Department of Industrial Relations
14 when a new full-time employee is hired;

15 (3) Establish procedures for certifying a qualified
16 employer's compliance, or in the case of a credit under
17 subsection (b) of Section 4, a recently deployed unemployed
18 veteran's compliance, with the eligibility and expense
19 verification requirements to claim the credit authorized under
20 this section;

21 (4) Adopt measurable goals, outcomes, and an audit
22 strategy to assess the utilization and performance of the
23 credits authorized in this bill;

24 (5) On or before January 15, 2014, submit a written
25 report on its assessment of the credits to the Alabama House

1 Committees on Military and Veterans Affairs, Commerce and
2 Small Business and Ways and Means-Education, and to the
3 Alabama Senate Committees on Veterans and Military Affairs,
4 Finance and Taxation-ETF and Job Creation and Economic
5 Development;

6 (6) Engage in efforts to promote the hiring of
7 recently deployed unemployed veterans through hiring practices
8 of the State of Alabama.

9 Section 6. This act shall become effective
10 immediately following its passage and approval by the
11 Governor, or its otherwise becoming law.

