

1 HB365  
2 149198-2  
3 By Representative Williams (P)  
4 RFD: Ways and Means Education  
5 First Read: 28-FEB-13

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8 SYNOPSIS: Under existing law, an income tax credit is  
9 not provided for hiring college students or  
10 graduates of an accredited school of engineering in  
11 the state.

12 This bill would provide an income tax credit  
13 for a business which employs a student worker who  
14 is enrolled for at least two years in or is a  
15 graduate of an accredited school of engineering in  
16 the state and who retains the student worker or  
17 graduate as an employee for at least 3 months and  
18 up to 12 months.

19 This bill would provide that a business  
20 would not be eligible for the tax credit if the  
21 student worker or graduate is a spouse, a  
22 dependent, an adult child and his or her spouse, a  
23 parent, a spouse's parent, or a sibling and his or  
24 her spouse of the taxpayer or the person  
25 responsible for hiring an employee for the  
26 taxpayer.  
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1 taxpayer each year. The taxpayer shall claim the income tax  
2 credit with respect to a student worker in the year in which  
3 the employment period ends and the following year.

4 (b) An employer cannot claim a tax credit for a  
5 student worker or graduate who is a spouse, a dependent, an  
6 adult child and his or her spouse, a parent, a spouse's  
7 parent, or a sibling and his or her spouse of the business or  
8 the person responsible for hiring an employee for the  
9 business.

10 Section 3. (a) The credit allowed pursuant to  
11 Section 1 shall not exceed 50 percent of the amount of the tax  
12 imposed for the taxable year reduced by the sum of all credits  
13 allowable, except payments of tax made by or on behalf of the  
14 business. This limitation shall apply to the cumulative amount  
15 of the credit, including carry forwards, claimed by the  
16 business under this act for the taxable year. Any unused  
17 portion of the credit may be carried forward for the  
18 succeeding five years.

19 (b) The income tax credit pursuant to this act shall  
20 be effective January 1, 2014, for the 2013 taxable year and  
21 subsequent taxable years thereafter.

22 Section 4. This act shall become effective  
23 immediately following its passage and approval by the  
24 Governor, or its otherwise becoming law