

1 HB311
2 156393-3
3 By Representatives Burdine, Black, Scott, Jackson, Melton,
4 McCampbell, Boyd and Coleman-Evans
5 RFD: Economic Development and Tourism
6 First Read: 21-JAN-14

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8 SYNOPSIS: This bill would require any tax incentive or
9 subsidy provided as an incentive for a company to
10 build or expand in the state after the effective
11 date of this act to outline specific job
12 commitments required by a company.

13 This bill would require a company to
14 operate in the state and maintain the company's
15 committed employment levels for a period of not
16 less than five years after the year in which the
17 project is completed.

18 This bill would require a company to repay
19 the state all or a portion of the tax incentive or
20 subsidy received by the company if the company
21 fails to honor its job commitment provided in the
22 contract.

23 This bill would allow the Department of
24 Revenue to audit any company periodically to
25 monitor compliance by the company.

26
27 A BILL

1 TO BE ENTITLED

2 AN ACT

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4 To require any tax incentive or subsidy provided as
5 an incentive for a company to build or expand in the state
6 after the effective date of this act to outline specific job
7 commitments required by a company; and to require a company to
8 meet annual job commitments for a period of not less than five
9 years after the year in which the project is completed; and to
10 require a company to repay the state all or a portion of the
11 tax incentive or subsidy received by the company if the
12 company fails to honor its job commitment.

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. This act shall be known and cited as the
15 "Alabama Job Creation and Taxpayer Protection Act."

16 Section 2. (a) After the effective date of this act,
17 no agreement made by the state to provide tax incentives or
18 subsidies as an incentive for a company to build or expand in
19 this state shall be valid unless the state and the company
20 enter into a mutually acceptable written contract outlining
21 specific job commitments required by the company.

22 (b) The contract shall outline annual job
23 commitments to be made by the company for a period of not less
24 than five years after the year in which the project is
25 completed. The contract shall require the company to operate
26 in the state and maintain the company's committed employment

1 levels for a period of not less than five years after the year
2 in which the project is completed.

3 Section 3. (a) For five consecutive tax years after
4 the year in which the project is completed, the company
5 receiving a tax incentive or subsidy from the state shall
6 certify to the Department of Revenue, on a form prescribed by
7 the Department, the actual number of jobs created, and any
8 other information required by the contract. This certification
9 shall be filed at the same time as the state income tax
10 return. The Department of Labor shall verify the actual number
11 of jobs created at the company during the reporting year. If
12 the Department of Labor is not able to provide such
13 verification utilizing all available resources, the Department
14 of Revenue may request such additional information from the
15 company as may be necessary. The Department of Revenue may
16 audit any company periodically to monitor compliance by the
17 company with this act.

18 (b) If an investing company does not maintain the
19 employment levels provided in the contract for each of the
20 five consecutive tax years after the year in which the project
21 is completed, the State will be entitled to seek return of the
22 tax incentive or subsidy provided to the company in each of
23 the five tax years, up to the full amount or an amount pro
24 rata for each year based on the number of jobs created as
25 compared to the number of jobs committed.

26 Section 4. The Department of Revenue shall report
27 annually to the Legislature, the Legislative Fiscal Office,

1 and the public as to projects with respect to which tax
2 incentives or subsidies claimed during the year. The report
3 shall be due on the fifth legislative day of each regular
4 session and shall state the number of projects, the number of
5 jobs created and the number of jobs committed for each project
6 and the total amount of tax incentives or subsidies claimed
7 during the year for each project.

8 Section 5. The Department of Revenue shall adopt any
9 rules and regulations to carry out the provisions of this act.

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