

2
3 CONFERENCE COMMITTEE REPORT FOR HB83
4
5
6
7

8 SYNOPSIS: Under existing law, certain small businesses
9 may qualify for an income tax or financial
10 institution excise tax credit for hiring recently
11 deployed unemployed veterans who have been
12 discharged from active service within two years
13 from the date of hire.

14 This bill would rename the Heroes for Hire
15 Tax Credit Act of 2012 as the Veterans Employment
16 Act and would allow certain small businesses to
17 qualify for a tax credit for hiring an unemployed
18 veteran regardless of when the veteran was
19 discharged from active service.
20

21 A BILL
22 TO BE ENTITLED
23 AN ACT
24

25 Relating to veterans; to amend Sections 40-18-320,
26 40-18-321, as last amended by Act 2016-188, 2016 Regular
27 Session, 40-18-322, and 40-18-324, of the Code of Alabama

1 1975, and to add Sections 40-18-320.1 and 40-18-325 to the
2 Code of Alabama 1975; to rename the Heroes for Hire Tax Credit
3 Act of 2012 as the Veterans Employment Act; to allow certain
4 small businesses to qualify for an income tax or financial
5 institution excise tax credit for hiring an unemployed veteran
6 regardless of when the veteran was discharged from active
7 service; and to provide for the sunset of the article.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Section 40-18-320 of the Code of Alabama
10 1975, is amended to read as follows:

11 "§40-18-320.

12 "This article shall be known and may be cited as the
13 ~~"Heroes for Hire" Tax Credit Act of 2012~~ Veterans Employment
14 Act.

15 Section 2. Section 40-18-320.1 is added to the Code
16 of Alabama 1975, to read as follows:

17 As used in this article, the following terms have
18 the following meanings:

19 "40-18-320.1

20 (1) COMBAT VETERAN. A member of the Armed Forces of
21 the United States who served in a United States Department of
22 Defense designated combat zones and was a resident of the
23 State of Alabama at the time of his or her service and
24 received an honorable general discharge from active, federal
25 military service preceding the date of hire.

26 (2) RECENTLY DEPLOYED UNEMPLOYED VETERAN. An
27 individual who meets the criteria for an unemployed veteran

1 except that he or she must have received an honorable or
2 general discharge from active, federal military service within
3 the two-year period preceding the date of hire.

4 (3) UNEMPLOYED VETERAN. An individual who is all of
5 the following:

6 a. Was a resident of Alabama at the time of entry
7 into military service or was mobilized to active, federal
8 military service while a member of the Alabama National Guard
9 or other reserve unit located in Alabama, regardless of the
10 resident's home of record.

11 b. Received an honorable or general discharge from
12 active, federal military service preceding the date of hire.

13 c. Has certification by the Department of Labor at
14 the time of hire of either of the following:

15 1. Collecting or being eligible to collect
16 unemployment benefits; or

17 2. Having exhausted his or her unemployment
18 benefits.

19 Section 3. Sections 40-18-321, as last amended by
20 Act 2016-188, 2016 Regular Session, 40-18-322, and 40-18-324,
21 Code of Alabama 1975, are amended to read as follows:

22 §40-18-321.

23 "In addition to the tax credit allowed for in the
24 Full Employment Act of 2011, ~~codified as Sections 40-18-290~~
25 ~~through 40-18-293,~~ or the Alabama Small Business and
26 Agribusiness Jobs Act, ~~an~~ a one time additional one thousand
27 dollar (\$1,000) tax credit ~~for job creation~~ is available ~~if to~~

1 a business that meets the requirements of for a tax credit
2 under Section 40-18-290 through 40-18-293 or Sections
3 40-18-391 and 40-18-392, are met along with the following
4 definition: for each unemployed or combat veteran hired for a
5 full-time position paying at least fourteen dollars (\$14) per
6 hour, the majority of the duties of which are at a business
7 location within Alabama. The additional credit shall only be
8 available in the tax year during which the employee has
9 completed 12 months of consecutive employment.

10 ~~"RECENTLY DEPLOYED UNEMPLOYED VETERAN. An individual~~
11 ~~who is all of the following:~~

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

17 ~~"(2) Received an honorable or general discharge from~~
18 ~~active, federal military service within the two year period~~
19 ~~preceding the date of hire.~~

20 ~~"(3) Has certification by the Department of Labor at~~
21 ~~the time of hire of either of the following:~~

22 ~~"a. Collecting or being eligible to collect~~
23 ~~unemployment benefits.~~

24 ~~"b. Having exhausted his or her unemployment~~
25 ~~benefits.~~

26 §40-18-322.

1 "For all tax years beginning on or after January 1,
2 ~~2012~~ 2018, a qualified employer subject to the requirements of
3 this article and ~~Section~~ Sections 40-18-290 through 40-18-293,
4 shall be eligible for an additional nonrefundable credit
5 against the income tax liability imposed or the state portion
6 of the financial institution excise tax owed in an amount
7 equal to ~~\$1,000~~ one thousand dollars (\$1,000) for each new
8 ~~full-time recently deployed~~ unemployed or combat veteran hired
9 after the passage of ~~this article~~ this act for a full-time
10 position paying at least fourteen dollars (\$14) per hour, the
11 majority of the duties of which are at a business location
12 within Alabama. The additional credit shall only be available
13 in the tax year during which the employee has completed 12
14 months of consecutive employment.

15 §40-18-324.

16 "The Department of Labor, in coordination with the
17 Department of Revenue, the Department of Economic and
18 Community Affairs, and the Department of Veterans' Affairs
19 shall:

20 "(1) Promote awareness of the ~~recently deployed~~
21 unemployed veteran tax credit authorized in this article to
22 employers and eligible veterans.

23 "(2) Establish procedures for prequalifying an
24 individual as a an ~~recently deployed~~ unemployed veteran and
25 for providing notice to the Department of Labor when a new
26 full-time employee is hired.

1 "(3) Establish procedures for certifying a qualified
2 employer's compliance, or in the case of a credit under
3 subsection (b) of Section 40-18-323, a recently deployed
4 unemployed veteran's compliance, with the eligibility and
5 expense verification requirements to claim the credit
6 authorized under this section.

7 "(4) Adopt measurable goals, outcomes, and an audit
8 strategy to assess the utilization and performance of the
9 credits authorized in this article.

10 "(5) On or before January 15, 2014, submit a written
11 report on its assessment of the credits to the Alabama House
12 Committees on Military and Veterans Affairs, Commerce and
13 Small Business and Ways and Means-Education, and to the
14 Alabama Senate Committees on Veterans and Military Affairs,
15 Finance and Taxation-ETF, and Job Creation and Economic
16 Development.

17 "(6) Engage in efforts to promote the hiring of
18 ~~recently deployed~~ unemployed veterans through hiring practices
19 of the State of Alabama."

20 Section 4. Section 40-18-325 is added to the Code of
21 Alabama 1975, to read as follows:

22 "§ 40-18-325.

23 The tax credits authorized by this article shall not
24 be available after December 31, 2023, unless extended by an
25 act of the Legislature.

26 Section 5. The tax credits authorized by this act
27 shall not be claimed by a qualified employer until the status

1 of the unemployed veteran is verified by the Alabama
2 Department of Labor.

3 Section 6. The Department of Revenue shall, on an
4 annual basis, provide the Legislative Services Agency with the
5 total amount of credits claimed under the Veterans Employment
6 Act in accordance with Act 2015-237.

7 Section 7. This act shall become effective January
8 1, 2018, following its passage and approval by the Governor,
9 or its otherwise becoming law.