

SB333 INTRODUCED



1 SB333
2 5ZDI336-1
3 By Senators Singleton, Coleman-Madison, Hatcher, Coleman,
4 Smitherman
5 RFD: Finance and Taxation Education
6 First Read: 18-Apr-24



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SYNOPSIS:

This bill would allow an Alabama employer to claim a tax credit on Alabama income taxes or financial institution excise taxes for an employee eligible under the federal Work Opportunity Tax Credit Program.

A BILL
TO BE ENTITLED
AN ACT

Relating to tax credits; to provide a tax credit to Alabama employers for employees eligible under the federal Work Opportunity Tax Credit Program; and to allow for the adoption of rules.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) An Alabama income tax credit and financial institution excise tax credit is hereby established for Alabama employers who hire individuals included within targeted groups under the Work Opportunity Tax Credit Program, as described in the federal Consolidated Appropriations Act (P.L. 116-260). The amount of the credit shall be equal to the federal tax credit taken by the taxpayer, up to one thousand dollars (\$1,000), and shall be available in the tax year during which the employee has completed 12 consecutive months



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29 of employment.

30 (b) The credit shall be allowed against the tax imposed
31 by Chapter 16 or Chapter 18 of Title 40 of the Code of Alabama
32 1975. This tax credit shall not be allowed to decrease a
33 taxpayer's tax liability to less than zero. The credit is not
34 refundable or transferable and shall be available, on a pro
35 rata basis, to the owners or members of qualified Alabama
36 business employers that are entities taxed under subchapters S
37 or K of the Internal Revenue Code.

38 (c) In no event shall the credits in this section be
39 allowed in excess of ten million dollars (\$10,000,000) for
40 each fiscal year that the tax credit is available.

41 (d) The tax credit provided in this section may be
42 claimed for the tax year beginning January 1, 2025, and for
43 any tax year afterward that the tax credit is available.

44 Section 2. The Department of Revenue shall have the
45 authority to adopt such rules as necessary to carry out this
46 act.

47 Section 3. This act shall become effective on January
48 1, 2025.