

HB259 INTRODUCED



1 HB259
2 KKRX5AA-1
3 By Representative Robbins
4 RFD: Ways and Means Education
5 First Read: 11-Feb-25



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SYNOPSIS:

This bill would establish a state income tax credit for recruited workers and remote workers that move to certain counties in Alabama.

A BILL
TO BE ENTITLED
AN ACT

Relating to income tax; to define certain terms; and to provide for a tax credit to a recruited worker or remote worker who moves to certain counties in Alabama.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) It is the intent of the Legislature to increase the number of employed individuals in certain counties in the state by incentivizing the recruitment and retention of certain job types through tax policy.

(b) For the purpose of this act, the following terms and phrases have the following meanings:

(1) AFFECTED COUNTY.

a. Tier 1 County. Any Alabama county that has a population of less than 25,000.

b. Tier 2 County. Any Alabama county that has a population of more than 25,000 but less than 50,000.



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29 c. Tier 3 County. Any Alabama county that has a
30 population of more than 50,000 but less than 100,000.

31 (2) OPPORTUNITY ZONE. As defined in I.R.C. § 1400Z-1.

32 (3) RECRUITED WORKER. An individual that satisfies all
33 of the following criteria:

34 a. Is employed in one of the following capacities:

35 1. LAW ENFORCEMENT OFFICER. As defined in Section
36 36-21-40, Code of Alabama 1975.

37 2. NURSE. An individual licensed under Chapter 31,
38 Title 34, Code of Alabama 1975.

39 3. TEACHER. As defined in Section 16-24-1, Code of
40 Alabama 1975.

41 b. Resided outside of Alabama for the entirety of the
42 calendar year immediately prior to the first tax year in which
43 a credit under this act is claimed.

44 c. Resided in an affected county a minimum of six
45 months in the tax year in which the tax credit is claimed.

46 (4) REMOTE WORKER. An individual that satisfies all of
47 the following criteria:

48 a. Resided outside of Alabama for the entirety of the
49 calendar year immediately prior to the first tax year in which
50 a credit under this act is claimed.

51 b. Performs their job duties off-site or outside of the
52 physical geographic location of their employer's workspace,
53 including independent contractors.

54 c. Resided in an affected county a minimum of six
55 months in the tax year in which the tax credit is claimed.

56 d. Has a taxable income of at least fifty-five thousand



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57 dollars (\$55,000) annually.

58 Section 2. (a) An Alabama individual income tax credit
59 in the amount of thirty thousand dollars (\$30,000) may be
60 claimed by any recruited worker or remote worker residing in a
61 Tier 1 County each tax year for no more than three tax years.

62 (b) An Alabama individual income tax credit in the
63 amount of twenty thousand dollars (\$20,000) may be claimed by
64 any recruited worker or remote worker residing in a Tier 2
65 County each tax year for no more than three tax years.

66 (c) An Alabama individual income tax credit in the
67 amount of ten thousand dollars (\$10,000) may be claimed by any
68 recruited worker or remote worker residing in a Tier 3 County
69 each tax year for no more than three tax years.

70 (d) (1) An Alabama individual income tax credit in the
71 amount of five thousand dollars (\$5,000) may be claimed by any
72 recruited worker or remote worker residing in an opportunity
73 zone each tax year for no more than three tax years.

74 (2) A recruited worker or remote worker claiming the
75 tax credit provided under this subdivision may also claim the
76 applicable tax credit provided under subdivisions (a) through
77 (c).

78 (e) Any tax credit issued under this section may not
79 decrease a taxpayer's tax liability to less than zero. If the
80 tax liability of the taxpayer is less than the tax credit
81 issued under this section, the taxpayer may only utilize the
82 amount of the credit that reduces the taxpayer liability to
83 zero. The tax credit is not refundable nor transferable and
84 may be carried forward for up to five years.



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85 (f) The tax credit authorized by this act is limited to
86 an aggregate amount for all taxpayers of two million dollars
87 (\$2,000,000) annually.

88 (g) (1) The tax credit allowed under this section shall
89 be effective beginning January 1, 2026, for the 2026 tax year,
90 and shall continue through the 2030 tax year, unless continued
91 by an act of the Legislature.

92 (2) Notwithstanding subdivision (g) (1), an individual
93 first claiming a credit during the period listed in
94 subdivision (g) (1) and who remains otherwise eligible may
95 claim this credit for two consecutive tax years.

96 (3) Notwithstanding the other provisions of this
97 subsection, an individual shall not claim this credit for more
98 than three tax years.

99 (h) The Department of Revenue may adopt rules for the
100 implementation and administration of this section.

101 Section 3. This act shall become effective on October
102 1, 2025.