

**SB52 INTRODUCED**



1 SB52  
2 PW65REE-1  
3 By Senators Singleton, Coleman, Coleman-Madison, Stewart  
4 RFD: Finance and Taxation Education  
5 First Read: 04-Feb-25



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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 targeted 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 targeted 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 federal 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



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29 available in the tax year during which the employee has  
30 completed 12 consecutive months of employment.

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

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

43 (d) The tax credit provided in this section may be  
44 claimed for the tax year beginning January 1, 2026, and for  
45 any tax year afterward that the tax credit is available.

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

49 Section 3. This act shall become effective on January  
50 1, 2026.