

1 HB117
2 118757-2
3 By Representative McClammy
4 RFD: County and Municipal Government
5 First Read: 01-MAR-11

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8 SYNOPSIS: Under existing law, an income tax credit is
9 not provided for hiring certain persons under the
10 age of 19 during school breaks, after school, or on
11 weekends.

12 This bill would relate to Class 3
13 municipalities organized under Act 618 of the 1973
14 Regular Session and would make such provision.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to any Class 3 municipality organized under
21 Act 618, 1973 Regular Session (Acts 1973, p. 879); to provide
22 an income tax credit for hiring certain persons under the age
23 of 19 during school breaks, after school, or on weekends.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. In any Class 3 municipality organized
26 under Act 618, 1973 Regular Session (Acts 1973, p. 879), after
27 the effective date of this act, a taxpayer who employs a

1 student worker under the age of 19 years who is enrolled in
2 school to work during school breaks, after school, or on
3 weekends, including during the summer or official holidays, in
4 the state and shall retain the student worker as an employee
5 for at least nine months shall be allowed an income tax credit
6 for hiring the student. The amount of the income tax credit
7 shall be equal to the wages paid to the student worker during
8 the taxable year up to a maximum of two thousand five hundred
9 dollars (\$2,500) for each student worker employed and retained
10 by the taxpayer each year. The taxpayer shall claim the income
11 tax credit with respect to a student worker in the year in
12 which the nine-month period ends and the following year.

13 Section 2. (a) The credit allowed pursuant to
14 Section 1 shall not exceed 50 percent of the amount of the tax
15 imposed for the taxable year reduced by the sum of all credits
16 allowable, except payments of tax made by or on behalf of the
17 taxpayer. This limitation shall apply to the cumulative amount
18 of the credit, including carryforwards, claimed by the
19 taxpayer under this act for the taxable year. Any unused
20 portion of the credit may be carried forward for the
21 succeeding five years.

22 (b) The credit shall be allowed to the following
23 businesses and employees in these areas:

- 24 (1) 8 A Business.
- 25 (2) Empowerment Zone.
- 26 (3) HUB Zones.
- 27 (4) I-65 Corridor.

1 (5) Renewal Community.

2 (6) Tax Incremental Financial Zones.

3 (7) The Enterprise Zone.

4 Section 3. The income tax credit pursuant to this
5 act shall be effective January 1, 2012, for the 2012 taxable
6 year and subsequent taxable years.

7 Section 4. This act shall become effective
8 immediately following its passage and approval by the
9 Governor, or its otherwise becoming law.