

1 HB68  
2 107217-2  
3 By Representative Bentley  
4 RFD: Education Appropriations  
5 First Read: 12-JAN-10  
6 PFD: 12/08/2009  
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8 SYNOPSIS: To encourage businesses to create jobs for  
9 unemployed persons, this bill proposes an income  
10 tax deduction for businesses that hire a person  
11 presently drawing unemployment compensation or  
12 whose unemployment compensation benefits have  
13 expired. Such businesses will receive an income tax  
14 deduction equal to fifty percent (50%) of the  
15 taxable income of each such person hired and  
16 retained as an employee for twelve consecutive  
17 months.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT

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23 To provide an incentive for job creation for  
24 unemployed persons by creating an income tax deduction for  
25 businesses that hire certain unemployed persons.

26 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1                   Section 1. This Act will be known as the  
2 "Reemployment Act of 2010."

3                   Section 2. (a) An Alabama income tax deduction is  
4 hereby established for employers that create new jobs for  
5 unemployed persons. The deduction shall equal fifty percent  
6 (50%) of the taxable income of each person hired by an  
7 employer who, at the time of such employment, was drawing  
8 unemployment compensation or whose unemployment benefits had  
9 expired. The unemployment status of the employee at the time  
10 of the employment shall be certified by the local employment  
11 agency. The deduction may be claimed in only one tax year and  
12 may not be claimed until the employee has been continuously  
13 employed by the employer for twelve months following the hire  
14 date. The deduction shall be allowed against the tax imposed  
15 by Chapter 18, Title 40 of the Code of Alabama 1975. The  
16 deduction is not refundable or transferable. The deduction  
17 shall be available, on a pro rata basis, to the owners of  
18 qualified employers that are entities taxed under sub-chapters  
19 S or K of the Internal Revenue Code.

20                   Section 3. The Department of Revenue shall have the  
21 authority to adopt such rules and regulations as necessary to  
22 carry out the provisions of this act.

23                   Section 4. The provisions of this act are severable.  
24 If any part of this act is declared invalid or  
25 unconstitutional, that declaration shall not affect the part  
26 which remains.

1                   Section 5. All laws or parts of laws which conflict  
2 with this act are hereby repealed.

3                   Section 6. This Act shall become effective for the  
4 tax years beginning on or after January 1, 2010.