

1 HB206  
2 116122-1  
3 By Representative McClammy  
4 RFD: Education Appropriations  
5 First Read: 12-JAN-10

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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 make such provision.

13  
14 A BILL  
15 TO BE ENTITLED  
16 AN ACT

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18 To provide an income tax credit for hiring certain  
19 persons under the age of 19 during school breaks, after  
20 school, or on weekends.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. A taxpayer who employs a student worker  
23 under the age of 19 years, who is enrolled in school or has  
24 dropped out of school, to work during school breaks, after  
25 school, or on weekends, including during the summer or  
26 official holidays, in the state and shall retain the student  
27 worker as an employee for at least nine months shall be

1 allowed an income tax credit for hiring the student. The  
2 amount of the income tax credit shall be equal to the wages  
3 paid to the student worker during the taxable year up to a  
4 maximum of two thousand five hundred dollars (\$2,500) for each  
5 student worker employed and retained by the taxpayer each  
6 year. The taxpayer shall claim the income tax credit with  
7 respect to a student worker in the year in which the  
8 nine-month period ends and the following year.

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

18 Section 3. This act shall become effective on or  
19 after January 1, 2011.