

1 SB424
2 117966-1
3 By Senator Ross
4 RFD: Finance and Taxation Education
5 First Read: 16-FEB-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.

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14 A BILL
15 TO BE ENTITLED
16 AN ACT

17
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 to work
24 during school breaks, after school, or on weekends, including
25 during the summer or official holidays, in the state and shall
26 retain the student worker as an employee for at least nine
27 months shall be allowed an income tax credit for hiring the

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

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

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

- 19 (1) 8 A Business.
- 20 (2) Empowerment Zone.
- 21 (3) HUB Zones.
- 22 (4) I-65 Corridor.
- 23 (5) Renewal Community.
- 24 (6) Tax Incremental Financial Zones.
- 25 (7) The Enterprise Zone.

1 Section 3. The income tax credit pursuant to this
2 act shall be effective for January 1, 2011, for the 2011
3 taxable year and subsequent taxable years.

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