

HB61 INTRODUCED



- 1 TBVC15-1
- 2 By Representative Robbins
- 3 RFD: Ways and Means Education
- 4 First Read: 07-Mar-23
- 5 PFD: 06-Mar-23



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SYNOPSIS:

This bill would establish a state income tax credit for recruited workers and remote workers that move to certain counties in Alabama.

A BILL
TO BE ENTITLED
AN ACT

Relating to income tax; to define certain terms; to provide for a tax credit to a recruited worker or remote worker who moves to certain counties in Alabama.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. (a) For the purpose of this act, the following terms and phrases have the following meanings:

(1) AFFECTED COUNTY.

a. Tier 1 County. Any Alabama county that has a population of less than 25,000.

b. Tier 2 County. Any Alabama county that has a population more than 25,000 but less than 50,000.

c. Tier 3 County. Any Alabama county that has a population more than 50,000 but less than 100,000.

(2) OPPORTUNITY ZONE. As defined in I.R.C. § 1400Z-1.

(3) RECRUITED WORKER. An individual that satisfies all



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29 of the following criteria:

30 a. Is employed in one of the following capacities:

31 1. LAW ENFORCEMENT OFFICER. As defined in Section
32 36-21-40, Code of Alabama 1975.

33 2. NURSE. An individual licensed under Chapter 31,
34 Title 34, Code of Alabama 1975.

35 3. TEACHER. As defined in Section 16-24-1, Code of
36 Alabama 1975.

37 b. Resided outside of Alabama for the entirety of the
38 calendar year immediately prior to the first tax year in which
39 a credit under this act is claimed.

40 c. Resided in an affected county a minimum of six
41 months in the tax year in which the tax credit is claimed.

42 (4) REMOTE WORKER. An individual that satisfies all of
43 the following criteria:

44 a. Resided outside of Alabama for the entirety of the
45 calendar year immediately prior to the first tax year in which
46 a credit under this act is claimed.

47 b. Performs their job duties off-site or outside of the
48 physical geographic location of their employer's workspace,
49 including independent contractors.

50 c. Resided in an affected county a minimum of six
51 months in the tax year in which the tax credit is claimed.

52 d. Has a taxable income of at least \$55,000 annually.

53 Section 2. (a) An Alabama individual income tax credit
54 in the amount of thirty thousand dollars (\$30,000) may be
55 claimed by any recruited worker or remote worker residing in a
56 Tier 1 County each tax year for no more than three tax years.



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57 (b) An Alabama individual income tax credit in the
58 amount of twenty thousand dollars (\$20,000) may be claimed by
59 any recruited worker or remote worker residing in a Tier 2
60 County each tax year for no more than three tax years.

61 (c) An Alabama individual income tax credit in the
62 amount of ten thousand dollars (\$10,000) may be claimed by any
63 recruited worker or remote worker residing in a Tier 3 County
64 each tax year for no more than three tax years.

65 (d) (1) An Alabama individual income tax credit in the
66 amount of five thousand dollars (\$5,000) may be claimed by any
67 recruited worker or remote worker residing in an opportunity
68 zone each tax year for no more than three tax years.

69 (2) A recruited worker or remote worker claiming the
70 tax credit provided under this subdivision may also claim the
71 applicable tax credit provided under subdivisions (1) through
72 (3).

73 (e) This tax credit is not transferrable.

74 (f) The tax credit authorized by this act is limited to
75 an aggregate amount for all taxpayers of two million dollars
76 (\$2,000,000) annually.

77 (g) (1) The tax credit allowed under this section shall
78 be effective beginning January 1, 2023, for the 2023 tax year,
79 and shall continue through the 2027 tax year, unless continued
80 by an act of the Legislature.

81 (2) Notwithstanding subdivision (g) (1), an individual
82 first claiming a credit during the period listed in
83 subdivision (g) (1) and who remains otherwise eligible may
84 claim this credit for two consecutive tax years.



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85 (3) Notwithstanding the other provisions of this
86 subsection, an individual shall not claim this credit for more
87 than three tax years.

88 (h) The Department of Revenue may adopt rules for the
89 implementation and administration of this section.

90 Section 3. This act shall become effective immediately
91 following its passage and approval by the Governor, or its
92 otherwise becoming law.