

1 HB136
2 115602-1
3 By Representative Mask
4 RFD: Education Appropriations
5 First Read: 12-JAN-10
6 PFD: 01/07/2010

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8 SYNOPSIS: Anticipated growth for the Alabama economy
9 will require skill levels beyond those gained in
10 high school. Almost all workers will need training
11 and education at the postsecondary level. Employers
12 in Alabama still have difficulties finding and
13 hiring enough job candidates with employable skills
14 necessary in the state's advancing economy.

15 This bill proposes, as a monetary inducement
16 or incentive for adult workers to seek educational
17 advancement and training for both higher paying and
18 more demanding jobs, an income tax credit for both
19 the employee and the employer based on the costs
20 associated with the additional education and
21 training for these positions.

22
23 A BILL
24 TO BE ENTITLED
25 AN ACT
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1 To provide, as a monetary inducement or incentive
2 for adult workers to seek educational advancement and training
3 for higher paying and more demanding jobs, an income tax
4 credit for both the employee and the employer for the costs
5 associated with the additional education and training for
6 these positions.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. This Act will be known as the "Back to
9 School Tax Credit."

10 Section 2. (a) For tax years beginning after
11 December 31, 2009, an Alabama income tax credit is hereby made
12 available to qualified individuals and employers for an amount
13 equal to 50% of the qualifying costs paid or incurred by the
14 qualified individual or employer during the tax year. The
15 credit shall be allowed against the tax imposed by Chapter 18,
16 Title 40 of the Code of Alabama, 1975. This tax credit shall
17 not be allowed to decrease a taxpayer's tax liability to less
18 than zero. The credit is not refundable or transferable. The
19 credit shall be available, on a pro rata basis, to the owners
20 of qualified employers that are entities taxed under
21 sub-chapters S or K of the Internal Revenue Code.

22 (b) (1) Qualifying Individual. To be defined by
23 workforce development.

24 (2) Qualifying Employer. To be defined by workforce
25 development.

26 (3) Qualifying Costs. To be defined by workforce
27 development.

1 Section 3. The provisions of this Act are severable.
2 If any part of this Act is declared invalid or
3 unconstitutional, that declaration shall not affect the part
4 which remains.

5 Section 4. All laws or parts of laws which conflict
6 with this Act are hereby repealed.

7 Section 5. This Act shall become effective for tax
8 years beginning on or after January 1, 2010.