

1 HB83
2 188717-2
3 By Representatives Rowe, South, Weaver, Farley, Hurst, Fridy,
4 McMillan, Williams (JW), Brown, Lovvorn, Standridge, Faulkner,
5 Faust, Carns, Ellis, Mooney, Ainsworth, Moore (B), Wilcox,
6 Polizos, Ledbetter, Sanderford and McCutcheon
7 RFD: Military and Veterans Affairs
8 First Read: 09-JAN-18
9 PFD: 01/08/2018

1 ENGROSSED

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4 A BILL
5 TO BE ENTITLED
6 AN ACT
7

8 Relating to veterans; to amend Sections 40-18-320,
9 40-18-321, as last amended by Act 2016-188, 2016 Regular
10 Session, 40-18-322, and 40-18-324, of the Code of Alabama
11 1975, and to add Section 40-18-320.1 to the Code of Alabama
12 1975; to rename the Heroes for Hire Tax Credit Act of 2012 as
13 the Veterans Employment Act; and to allow certain small
14 businesses to qualify for an income tax or financial
15 institution excise tax credit for hiring an unemployed veteran
16 regardless of when the veteran was discharged from active
17 service.

18 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

19 Section 1. Section 40-18-320 of the Code of Alabama
20 1975, is amended to read as follows:

21 "§40-18-320.

22 "This article shall be known and may be cited as the
23 ~~"Heroes for Hire" Tax Credit Act of 2012~~ Veterans Employment
24 Act.

25 Section 2. Section 40-18-320.1 is added to the Code
26 of Alabama 1975, to read as follows:

1 As used in this article, the following terms have
2 the following meanings:

3 40-18-320.1

4 (1) COMBAT VETERAN. A member of the Armed Forces of
5 the United States who served in a United States Department of
6 Defense designated combat zones and was a resident of the
7 State of Alabama at the time of his or her service.

8 ~~(1)~~ (2) RECENTLY DEPLOYED UNEMPLOYED VETERAN. An
9 individual who meets the criteria for an unemployed veteran
10 except that he or she must have received an honorable or
11 general discharge from active, federal military service within
12 the two-year period preceding the date of hire.

13 ~~(2)~~ (3) UNEMPLOYED VETERAN. An individual who is all
14 of the following:

15 a. Was a resident of Alabama at the time of entry
16 into military service or was mobilized to active, federal
17 military service while a member of the Alabama National Guard
18 or other reserve unit located in Alabama, regardless of the
19 resident's home of record.

20 b. Received an honorable or general discharge from
21 active, federal military service preceding the date of hire.

22 c. Has certification by the Department of Labor at
23 the time of hire of either of the following:

24 1. Collecting or being eligible to collect
25 unemployment benefits; or

26 2. Having exhausted his or her unemployment
27 benefits.

1 Section 3. Sections 40-18-321, as last amended by
2 Act 2016-188, 2016 Regular Session, 40-18-322, and 40-18-324,
3 Code of Alabama 1975, are amended to read as follows:

4 §40-18-321.

5 "In addition to the tax credit allowed for in the
6 Full Employment Act of 2011, ~~codified as Sections 40-18-290~~
7 ~~through 40-18-293,~~ or the Alabama Small Business and
8 Agribusiness Jobs Act, ~~an additional one thousand dollar~~
9 ~~(\$1,000) tax credit~~ an additional two thousand dollar (\$2,000)
10 tax credit for job creation is available if to a business that
11 meets the requirements of for a tax credit under Section
12 40-18-290 through 40-18-293 or Sections 40-18-391 and
13 40-18-392, ~~are met along with the following definition: for~~
14 each unemployed or combat veteran hired for a full-time
15 position paying at least fourteen dollars (\$14) per hour, the
16 majority of the duties of which are at a business location
17 within Alabama. The additional credit shall be available in
18 the tax year during which the employee has completed 12 months
19 of consecutive employment.

20 ~~"RECENTLY DEPLOYED UNEMPLOYED VETERAN. An individual~~
21 ~~who is all of the following:~~

22 ~~"(1) Was a resident of Alabama at the time of entry~~
23 ~~into military service or was mobilized to active, federal~~
24 ~~military service while a member of the Alabama National Guard~~
25 ~~or other reserve unit located in Alabama, regardless of the~~
26 ~~resident's home of record.~~

1 "~~(2) Received an honorable or general discharge from~~
2 ~~active, federal military service within the two-year period~~
3 ~~preceding the date of hire.~~

4 "~~(3) Has certification by the Department of Labor at~~
5 ~~the time of hire of either of the following:~~

6 "~~a. Collecting or being eligible to collect~~
7 ~~unemployment benefits.~~

8 "~~b. Having exhausted his or her unemployment~~
9 ~~benefits.~~

10 §40-18-322.

11 "For all tax years beginning on or after January 1,
12 ~~2012~~ 2018, a qualified employer subject to the requirements of
13 this article and ~~Section~~ Sections 40-18-290 through 40-18-293,
14 shall be eligible for an additional nonrefundable credit
15 against the income tax liability imposed or the state portion
16 of the financial institution excise tax owed in an amount
17 equal to ~~\$1,000 one thousand dollars (\$1,000)~~ two thousand
18 dollars (\$2,000) for each new ~~full-time recently deployed~~
19 ~~unemployed~~ or combat veteran hired after the passage of ~~this~~
20 ~~article~~ this act for a full-time position paying at least
21 fourteen dollars (\$14) per hour, the majority of the duties of
22 which are at a business location within Alabama. The
23 additional credit shall be available in the tax year during
24 which the employee has completed 12 months of consecutive
25 employment.

26 §40-18-324.

1 "The Department of Labor, in coordination with the
2 Department of Revenue, the Department of Economic and
3 Community Affairs, and the Department of Veterans' Affairs
4 shall:

5 "(1) Promote awareness of the ~~recently deployed~~
6 unemployed veteran tax credit authorized in this article to
7 employers and eligible veterans.

8 "(2) Establish procedures for prequalifying an
9 individual as ~~a~~ an ~~recently deployed~~ unemployed veteran and
10 for providing notice to the Department of Labor when a new
11 full-time employee is hired.

12 "(3) Establish procedures for certifying a qualified
13 employer's compliance, or in the case of a credit under
14 subsection (b) of Section 40-18-323, a recently deployed
15 unemployed veteran's compliance, with the eligibility and
16 expense verification requirements to claim the credit
17 authorized under this section.

18 "(4) Adopt measurable goals, outcomes, and an audit
19 strategy to assess the utilization and performance of the
20 credits authorized in this article.

21 "(5) On or before January 15, 2014, submit a written
22 report on its assessment of the credits to the Alabama House
23 Committees on Military and Veterans Affairs, Commerce and
24 Small Business and Ways and Means-Education, and to the
25 Alabama Senate Committees on Veterans and Military Affairs,
26 Finance and Taxation-ETF, and Job Creation and Economic
27 Development.

1 "(6) Engage in efforts to promote the hiring of
2 ~~recently deployed~~ unemployed veterans through hiring practices
3 of the State of Alabama."

4 Section 4. The tax credits authorized by this act
5 shall not be claimed by a qualified employer until the status
6 of the unemployed veteran is verified by the Alabama
7 Department of Labor.

8 Section 5. The tax credits authorized by this act
9 shall not be available for any unemployed veteran hired after
10 December 31, 2023 unless extended by an act of the
11 Legislature.

12 Section 6. The Department of Revenue shall, on an
13 annual basis, provide the Legislative Services Agency with the
14 total amount of credits claimed under the Veterans Employment
15 Act in accordance with Act 2015-237.

16 Section 7. This act shall become effective January
17 1, 2018, following its passage and approval by the Governor,
18 or its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Military and
Veterans Affairs..... 09-JAN-18

Read for the second time and placed
on the calendar..... 11-JAN-18

Read for the third time and passed
as amended..... 16-JAN-18

Yeas 98, Nays 0, Abstains 0

Jeff Woodard
Clerk