

1 HB90  
2 115605-1  
3 By Representative Bridges  
4 RFD: Education Appropriations  
5 First Read: 12-JAN-10  
6 PFD: 01/06/2010

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8 SYNOPSIS: To encourage business growth in areas of  
9 Alabama where jobs are needed most, this bill  
10 proposes a tax credit for businesses that create  
11 jobs in a county or counties identified by the  
12 Department of Industrial Relations as being within  
13 the 25 Alabama counties with the highest annual  
14 unemployment rate for the year the job is created.  
15 Such businesses will receive an income tax credit  
16 equal to \$500 per new job created in the targeted  
17 counties.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT

22  
23 To provide an incentive for job creation in a county  
24 identified by the Department of Industrial Relations as being  
25 within the 25 Alabama counties with the highest annual  
26 unemployment rate for the year in which the job was created.  
27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. This Act will be known as the "Targeted  
2 Job Creation Tax Credit."

3           Section 2. (a) An Alabama income tax credit is  
4 hereby established for employers that create new jobs in  
5 qualifying counties. The credit shall equal \$500 per year  
6 beginning in the tax year in which the new job is created and  
7 continuing for two additional years provided that the new job  
8 is still in place at the end of each tax year for which the  
9 employer claims the credit. It is further provided that the  
10 employer must have a net increase in the total number of full  
11 time employees in Alabama on the last date of each tax year  
12 for which he claims a credit, over the number employed in  
13 Alabama as of the last day of the tax year immediately  
14 preceding the first credit year. The increase must equal or  
15 exceed the number of newly-hired employees for which a credit  
16 is sought by one employee for each newly-hired employee for  
17 whom a credit is being sought for the current year, plus one  
18 employee for all employees for whom credits were claimed in  
19 prior years. The credit shall be allowed against the tax  
20 imposed by Chapter 18, Title 40 of the Code of Alabama 1975.  
21 This tax credit shall not be allowed to decrease a taxpayer's  
22 tax liability to less than zero. The credit is not refundable  
23 or transferable. The credit shall be available, on a pro rata  
24 basis, to the owners of qualified employers that are entities  
25 taxed under sub-chapters S or K of the Internal Revenue Code.

26           (b) Qualifying County. A county identified by the  
27 Department of Industrial Relations as being within the

1 twenty-five (25) Alabama counties with the highest annual  
2 unemployment for the year preceding the tax year in which the  
3 new job was created.

4 Section 3. The provisions of this act are severable.  
5 If any part of this act is declared invalid or  
6 unconstitutional, that declaration shall not affect the part  
7 which remains.

8 Section 4. All laws or parts of laws which conflict  
9 with this act are hereby repealed.

10 Section 5. This Act shall become effective for the  
11 tax years beginning on or after January 1, 2010.