

1 SB356
2 191850-1
3 By Senator Sanford
4 RFD: Finance and Taxation Education
5 First Read: 01-MAR-18

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8 SYNOPSIS: Currently, income tax credits are given to
9 certain businesses to offset income tax liability.

10 This bill provides for an income tax credit
11 to businesses that lose employees to a business
12 currently receiving any economic tax incentive from
13 state government.

14
15 A BILL
16 TO BE ENTITLED
17 AN ACT

18
19 Relating to tax credits; to provide an income tax
20 credit to Alabama businesses that lose an employee to another
21 Alabama business currently receiving any economic tax
22 incentive from state government.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. For the purpose of this act, the
25 following words and phrases shall have the following meanings:

26 (1) ALABAMA BUSINESS. A business organization duly
27 formed, organized, or qualified to do business in the state,

1 with its headquarters or principal place of business in the
2 state.

3 (2) DEPARTMENT. The Alabama Department of Labor.

4 (3) ECONOMIC TAX INCENTIVE. Any tax credits,
5 deductions, exemptions, abatements, preferential rates, or
6 rebates given as an inducement provided by the government
7 where the government promises to forgo tax revenues to which
8 it is otherwise entitled or to provide some other benefit to
9 an individual or entity that promises to take specific action
10 that contributes to economic development.

11 Section 2. (a) For tax years beginning on or after
12 January 1, 2019, an income tax credit equal to two thousand
13 dollars (\$2,000) is hereby allowed to an Alabama business for
14 each employee that voluntarily leaves to work for another
15 Alabama business who is the recipient of any economic tax
16 incentive from state government on the hire date of that
17 employee.

18 (b) This tax credit may not be allowed to decrease
19 the tax liability of a taxpayer to less than zero in any tax
20 year. The credit shall be nonrefundable and nontransferable.

21 Section 3. (a) The department shall create and
22 maintain an online database for the purpose of recording the
23 following relating to each employee of an Alabama business:

24 (1) The full name of the employee;

25 (2) The hire date of the employee; and

26 (3) The leave date of the employee.

1 (b) The department shall ensure that the database
2 required in this section is designed so that an Alabama
3 business may access the database and regularly update the
4 required information. An Alabama business shall update the
5 database when an employee is hired and when an employee leaves
6 the business.

7 (c) The department shall have the database
8 operational no later than December 31, 2018.

9 Section 4. The department may promulgate rules
10 necessary for implementation of this act.

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