

SENATE BILL 2014

By Stewart

AN ACT to amend Tennessee Code Annotated, Title 67, Chapter 4, Part 21, relative to credit against franchise and excise tax liability and to enact the "Tennessee Reemployment Act of 2011."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 67, Chapter 4, Part 21, is amended by adding the following as a new, appropriately designated section:

67-4-21__.

(a) This section shall be known and may be cited as the "Tennessee Reemployment Act of 2011."

(b) There shall be allowed, for any employer, a credit against the sum total of the taxes imposed by this part, and by the Excise Tax Law of 1999, compiled in part 20 of this chapter, in an amount equal to five thousand dollars (\$5,000) for each new full-time employee hired on or after the effective date of this act who, at the time of the employment, was receiving unemployment benefits or whose unemployment benefits had expired.

(c) In order for an employer to become entitled to the credit under this section, the employer shall:

(1) Provide the employment for at least twelve (12) consecutive months following the employee's hire date;

(2) Employ the person no less than thirty-seven and one-half (37.5) hours per week; and

(3) Receive certification from the department of labor and workforce development of the unemployment status of the employee at the time of the employment.

(d) The credit may be used to offset up to one hundred percent (100%) of the employer's franchise and excise tax liability in only one (1) tax year, and may be used only one (1) time per employee; provided, that it may be allowed in the tax year in which the credit originated or, if unused in the initial tax year, it may be carried forward in any subsequent tax year for a period of up to five (5) years.

(e) The credit is not refundable or transferable, and shall be available, on a pro rata basis, to the owners of qualified employers that are entities taxed under subchapters S or K of the Internal Revenue Code.

(f) The commissioner of revenue is authorized to promulgate rules to effectuate the purposes of this section. All such rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it, and shall apply to tax years beginning on or after January 1, 2012.