

1 HB152  
2 134947-5  
3 By Representatives Bridges, Wood, Buttram, Merrill, Boothe,  
4 Poole, Farley, Treadaway, McClendon, Williams (J), Barton,  
5 Greer, Nordgren, Johnson (W), Millican, McCutcheon, Rich,  
6 Roberts, Shiver, Faust, Long, Fincher, Brown, Galliher, Lee,  
7 Henry, Chesteen, Ball, Gaston, Moore (B), Tuggle, Johnson (K),  
8 Collins, Baker, Weaver and Beckman  
9 RFD: Ways and Means Education  
10 First Read: 07-FEB-12  
11 PFD: 02/03/2012



1 or other reserve unit located in Alabama, regardless of the  
2 resident's home of record;

3 (2) Received an honorable or general discharge from  
4 active, federal military service within the two-year period  
5 preceding the date of hire; and

6 (3) Has certification by the Department of  
7 Industrial Relations at the time of hire of:

8 a. Collecting or being eligible to collect  
9 unemployment benefits; or

10 b. Having exhausted his or her unemployment  
11 benefits.

12 Section 3. For all tax years beginning on or after  
13 January 1, 2012, a qualified employer subject to the  
14 requirements of this act and Section 40-18-290 through  
15 40-18-293, shall be eligible for an additional nonrefundable  
16 credit against the income tax liability imposed or the state  
17 portion of the financial institution excise tax owed in an  
18 amount equal to \$1,000 for each new full-time recently  
19 deployed unemployed veteran hired after the passage of this  
20 act for a position, the majority of the duties of which are at  
21 a business location within Alabama.

22 Section 4. (a) In addition to the definition in  
23 Section 2 above, EXPENSE ASSOCIATED WITH A START-UP BUSINESS  
24 is defined as:

25 (1) Expenses associated with the development of a  
26 business plan;

1           (2) Professional services associated with the  
2 formation of the business (e.g., attorney and accounting  
3 services);

4           (3) An analysis or survey of potential markets,  
5 products, labor supply, or transportation facilities;

6           (4) Advertisements for the opening of the business;

7           (5) Salaries and wages for employees who are being  
8 trained and their instructors;

9           (6) Travel and other necessary costs for securing  
10 prospective distributors, suppliers, or customers;

11           (7) Salaries and fees for executives and  
12 consultants, or for similar professional services.

13           (b) For all tax years beginning on or after January  
14 1, 2012, a recently deployed unemployed veteran shall be  
15 eligible for a nonrefundable credit against the income tax  
16 liability imposed in an amount up to a total of \$2,000 for  
17 expenses associated with one start-up business in which the  
18 recently deployed unemployed veteran holds at least 50-percent  
19 ownership interest. A credit under this subsection may only be  
20 taken for a business started after the passage of this act  
21 that is located within Alabama and that shows a net profit of  
22 at least \$3,000 for the year in which the credit is taken.

23           (c) An employer shall not claim the credit in  
24 Section 3 of this bill for an employee who has claimed the  
25 credit under Section 4 of this bill, and a recently deployed  
26 unemployed veteran shall not claim the credit in Section 4 if

1 an employer has claimed his or her hire for the credit in  
2 Section 3.

3 Section 5. (a) The Department of Industrial  
4 Relations, in coordination with the Department of Revenue, the  
5 Department of Economic and Community Affairs, and the  
6 Department of Veterans' Affairs shall:

7 (1) Promote awareness of the recently deployed  
8 unemployed veteran tax credit authorized in this act to  
9 employers and eligible veterans;

10 (2) Establish procedures for prequalifying an  
11 individual as a recently deployed unemployed veteran and for  
12 providing notice to the Department of Industrial Relations  
13 when a new full-time employee is hired;

14 (3) Establish procedures for certifying a qualified  
15 employer's compliance, or in the case of a credit under  
16 subsection (b) of Section 4, a recently deployed unemployed  
17 veteran's compliance, with the eligibility and expense  
18 verification requirements to claim the credit authorized under  
19 this section;

20 (4) Adopt measurable goals, outcomes, and an audit  
21 strategy to assess the utilization and performance of the  
22 credits authorized in this bill;

23 (5) On or before January 15, 2014, submit a written  
24 report on its assessment of the credits to the Alabama House  
25 Committees on Military and Veterans Affairs, Commerce and  
26 Small Business and Ways and Means-Education, and to the  
27 Alabama Senate Committees on Veterans and Military Affairs,

1 Finance and Taxation-ETF and Job Creation and Economic  
2 Development;

3 (6) Engage in efforts to promote the hiring of  
4 recently deployed unemployed veterans through hiring practices  
5 of the State of Alabama.

6 Section 6. This act shall become effective  
7 immediately following its passage and approval by the  
8 Governor, 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 Ways and Means  
Education..... . . . . . 07-FEB-12

Read for the second time and placed  
on the calendar 1 amendment ..... . . . . . 08-FEB-12

Read for the third time and passed  
as amended..... . . . . . 14-FEB-12

Yeas 84, Nays 0, Abstains 3

Greg Pappas  
Clerk