

1 HB116  
2 164500-1  
3 By Representative McClammy  
4 RFD: Ways and Means Education  
5 First Read: 03-MAR-15

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8 SYNOPSIS: Under existing law, an income tax credit is  
9 not provided to a taxpayer for hiring a student  
10 enrolled in a public high school during school  
11 breaks, after school, or on weekends.

12 This bill would provide an income tax credit  
13 for hiring students during school breaks, after  
14 school, or on weekends whose place of residence is  
15 within 30 miles of the United States Highway 80  
16 corridor that lies within the State of Alabama and  
17 who is enrolled in a public high school.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT  
22

23 To provide an income tax credit for hiring students  
24 during school breaks, after school, or on weekends whose place  
25 of residence is within 30 miles of the United States Highway

1 80 corridor that lies within the State of Alabama and who is  
2 enrolled in a public high school.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. A taxpayer who employs a student to work  
5 during school breaks, after school, or on weekends whose place  
6 of residence is within 30 miles of the United States Highway  
7 80 corridor that lies within the State of Alabama who is  
8 enrolled in a public high school and retains the student as an  
9 employee for at least nine months may claim an income tax  
10 credit for hiring the student. The income tax credit shall be  
11 equal to the wages paid to the student worker during the  
12 taxable year up to a maximum of two thousand five hundred  
13 dollars (\$2,500) for each student employed and retained by the  
14 taxpayer each year. The taxpayer may claim the income tax  
15 credit with respect to a student worker in the year in which  
16 the nine-month period ends and the following year.

17 Section 2. (a) The credit allowed pursuant to  
18 Section 1 shall not exceed 50 percent of the amount of the tax  
19 imposed for the taxable year reduced by the sum of all credits  
20 allowable, except payments of tax made by or on behalf of the  
21 taxpayer. This limitation shall apply to the cumulative amount  
22 of the credit, including carry forwards, claimed by the  
23 taxpayer under this act for the taxable year. Any unused  
24 portion of the credit may be carried forward for the  
25 succeeding five years.

1                   Section 3. The income tax credit pursuant to this  
2                   act shall be effective for January 1, 2016, for the 2016  
3                   taxable year and subsequent taxable years.

4                   Section 4. This act shall become effective  
5                   immediately following its passage and approval by the  
6                   Governor, or its otherwise becoming law.