

1 HB83
2 188717-1
3 By Representatives Rowe, South, Weaver, Farley, Hurst, Fridy,
4 McMillan, Williams (JW), Brown, Lovvorn, Standridge, Faulkner,
5 Faust, Carns, Ellis, Mooney, Ainsworth, Moore (B), Wilcox,
6 Polizos, Ledbetter, Sanderford and McCutcheon
7 RFD: Military and Veterans Affairs
8 First Read: 09-JAN-18
9 PFD: 01/08/2018

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8 SYNOPSIS: Under existing law, certain small businesses
9 may qualify for an income tax or financial
10 institution excise tax credit for hiring recently
11 deployed unemployed veterans who have been
12 discharged from active service within two years
13 from the date of hire.

14 This bill would rename the Heroes for Hire
15 Tax Credit Act of 2012 as the Veterans Employment
16 Act and would allow certain small businesses to
17 qualify for a tax credit for hiring an unemployed
18 veteran regardless of when the veteran was
19 discharged from active service.

20
21 A BILL
22 TO BE ENTITLED
23 AN ACT

24
25 Relating to veterans; to amend Sections 40-18-320,
26 40-18-321, as last amended by Act 2016-188, 2016 Regular
27 Session, 40-18-322, and 40-18-324, of the Code of Alabama

1 1975, and to add Section 40-18-320.1 to the Code of Alabama
2 1975; to rename the Heroes for Hire Tax Credit Act of 2012 as
3 the Veterans Employment Act; and to allow certain small
4 businesses to qualify for an income tax or financial
5 institution excise tax credit for hiring an unemployed veteran
6 regardless of when the veteran was discharged from active
7 service.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Section 40-18-320 of the Code of Alabama
10 1975, is amended to read as follows:

11 "§40-18-320.

12 "This article shall be known and may be cited as the
13 ~~"Heroes for Hire" Tax Credit Act of 2012~~ Veterans Employment
14 Act.

15 Section 2. Section 40-18-320.1 is added to the Code
16 of Alabama 1975, to read as follows:

17 As used in this article, the following terms have
18 the following meanings:

19 40-18-320.1

20 (1) RECENTLY DEPLOYED UNEMPLOYED VETERAN. An
21 individual who meets the criteria for an unemployed veteran
22 except that he or she must have received an honorable or
23 general discharge from active, federal military service within
24 the two-year period preceding the date of hire.

25 (2) UNEMPLOYED VETERAN. An individual who is all of
26 the following:

1 a. Was a resident of Alabama at the time of entry
2 into military service or was mobilized to active, federal
3 military service while a member of the Alabama National Guard
4 or other reserve unit located in Alabama, regardless of the
5 resident's home of record.

6 b. Received an honorable or general discharge from
7 active, federal military service preceding the date of hire.

8 c. Has certification by the Department of Labor at
9 the time of hire of either of the following:

10 1. Collecting or being eligible to collect
11 unemployment benefits; or

12 2. Having exhausted his or her unemployment
13 benefits.

14 Section 3. Sections 40-18-321, as last amended by
15 Act 2016-188, 2016 Regular Session, 40-18-322, and 40-18-324,
16 Code of Alabama 1975, are amended to read as follows:

17 §40-18-321.

18 "In addition to the tax credit allowed for in the
19 Full Employment Act of 2011, ~~codified as Sections 40-18-290~~
20 ~~through 40-18-293,~~ or the Alabama Small Business and
21 Agribusiness Jobs Act, an additional one thousand dollar
22 (\$1,000) tax credit ~~for job creation~~ is available if to a
23 business that meets the requirements of for a tax credit under
24 Section 40-18-290 through 40-18-293 or Sections 40-18-391 and
25 40-18-392, ~~are met along with the following definition: for~~
26 each unemployed veteran hired for a full-time position paying
27 at least fourteen dollars (\$14) per hour, the majority of the

1 duties of which are at a business location within Alabama. The
2 additional credit shall be available in the tax year during
3 which the employee has completed 12 months of consecutive
4 employment.

5 ~~"RECENTLY DEPLOYED UNEMPLOYED VETERAN. An individual~~
6 ~~who is all of the following:~~

7 ~~"(1) Was a resident of Alabama at the time of entry~~
8 ~~into military service or was mobilized to active, federal~~
9 ~~military service while a member of the Alabama National Guard~~
10 ~~or other reserve unit located in Alabama, regardless of the~~
11 ~~resident's home of record.~~

12 ~~"(2) Received an honorable or general discharge from~~
13 ~~active, federal military service within the two year period~~
14 ~~preceding the date of hire.~~

15 ~~"(3) Has certification by the Department of Labor at~~
16 ~~the time of hire of either of the following:~~

17 ~~"a. Collecting or being eligible to collect~~
18 ~~unemployment benefits.~~

19 ~~"b. Having exhausted his or her unemployment~~
20 ~~benefits.~~

21 §40-18-322.

22 "For all tax years beginning on or after January 1,
23 ~~2012~~ 2018, a qualified employer subject to the requirements of
24 this article and ~~Section~~ Sections 40-18-290 through 40-18-293,
25 shall be eligible for an additional nonrefundable credit
26 against the income tax liability imposed or the state portion
27 of the financial institution excise tax owed in an amount

1 equal to ~~\$1,000~~ one thousand dollars (\$1,000) for each new
2 ~~full-time recently deployed~~ unemployed veteran hired after the
3 passage of ~~this article~~ this act for a full-time position
4 paying at least fourteen dollars (\$14) per hour, the majority
5 of the duties of which are at a business location within
6 Alabama. The additional credit shall be available in the tax
7 year during which the employee has completed 12 months of
8 consecutive employment.

9 §40-18-324.

10 "The Department of Labor, in coordination with the
11 Department of Revenue, the Department of Economic and
12 Community Affairs, and the Department of Veterans' Affairs
13 shall:

14 "(1) Promote awareness of the ~~recently deployed~~
15 unemployed veteran tax credit authorized in this article to
16 employers and eligible veterans.

17 "(2) Establish procedures for prequalifying an
18 individual as a an ~~recently deployed~~ unemployed veteran and
19 for providing notice to the Department of Labor when a new
20 full-time employee is hired.

21 "(3) Establish procedures for certifying a qualified
22 employer's compliance, or in the case of a credit under
23 subsection (b) of Section 40-18-323, a recently deployed
24 unemployed veteran's compliance, with the eligibility and
25 expense verification requirements to claim the credit
26 authorized under this section.

1 "(4) Adopt measurable goals, outcomes, and an audit
2 strategy to assess the utilization and performance of the
3 credits authorized in this article.

4 "(5) On or before January 15, 2014, submit a written
5 report on its assessment of the credits to the Alabama House
6 Committees on Military and Veterans Affairs, Commerce and
7 Small Business and Ways and Means-Education, and to the
8 Alabama Senate Committees on Veterans and Military Affairs,
9 Finance and Taxation-ETF, and Job Creation and Economic
10 Development.

11 "(6) Engage in efforts to promote the hiring of
12 ~~recently deployed~~ unemployed veterans through hiring practices
13 of the State of Alabama."

14 Section 4. The tax credits authorized by this act
15 shall not be claimed by a qualified employer until the status
16 of the unemployed veteran is verified by the Alabama
17 Department of Labor.

18 Section 5. The tax credits authorized by this act
19 shall not be available for any unemployed veteran hired after
20 December 31, 2023 unless extended by an act of the
21 Legislature.

22 Section 6. The Department of Revenue shall, on an
23 annual basis, provide the Legislative Services Agency with the
24 total amount of credits claimed under the Veterans Employment
25 Act in accordance with Act 2015-237.

1 Section 7. This act shall become effective January
2 1, 2018, following its passage and approval by the Governor,
3 or its otherwise becoming law.