

1 HB211
2 208837-2
3 By Representatives South, Lee and Pettus
4 RFD: Ways and Means Education
5 First Read: 02-FEB-21
6 PFD: 01/29/2021

1 Section 3. (a) The one-year period in which to
2 satisfy the initial employment and wage requirements for an
3 approved project entity, shall be extended to a period not to
4 exceed two years for any otherwise qualifying project placed
5 into service in calendar years 2019, 2020, or 2021 that have
6 been directly affected by the COVID-19 pandemic.

7 (b) An approved project entity's qualifying project,
8 that fails to meet the annual employment and wage requirements
9 for tax years beginning after December 31, 2019, but before
10 January 1, 2022, will not be considered in the determination
11 of disqualification from the capital credit program; provided
12 that the COVID-19 pandemic is the primary cause of the
13 disqualification.

14 (c) An approved project entity shall not be subject
15 to certain forfeiture penalties imposed on qualifying projects
16 that fail to maintain employment and wage requirements for any
17 tax year ending before January 1, 2022. For tax years
18 beginning on or after January 1, 2022, the applicable
19 forfeiture penalty shall be equal to one hundred percent
20 (100%) of the capital credits claimed in the year immediately
21 preceding the year in which the approved project entity fails
22 to maintain the employment and wage requirements of this
23 section. The forfeiture percentage shall be reduced to twenty
24 percent (20%) for each successive prior year in the five-year
25 forfeiture period.

26 Section 4. Section 40-18-19.1, Code of Alabama 1975,
27 is amended to read as follows:

1 "§40-18-19.1.

2 "(a) Effective for the 1997 state income tax year
3 and ~~each year thereafter~~ through tax year ending December 31,
4 2019, an amount up to twenty-five thousand dollars (\$25,000)
5 received as severance, unemployment compensation or
6 termination pay, or as income from a supplemental income plan,
7 or both, by an employee who, as a result of administrative
8 downsizing, is terminated, laid-off, fired, or displaced from
9 his or her employment, shall be exempt from any state, county,
10 or municipal income tax.

11 "(b) Effective for tax years beginning after
12 December 31, 2019, an amount up to fifty thousand dollars
13 (\$50,000) per tax year received as severance, unemployment
14 compensation or termination pay, or as income from a
15 supplemental income plan, or both, by an employee who, as a
16 result of administrative downsizing, is terminated, laid-off,
17 fired, or displaced from his or her employment, shall be
18 exempt from any state, county, or municipal income tax. The
19 exemption is limited to the amount of the actual payment(s),
20 but in no case shall exceed fifty thousand dollars (\$50,000)
21 per tax year.

22 "(c) Notwithstanding subsections (a) and (b), for
23 taxable years 2020 and 2021, any amount received as
24 unemployment compensation as a result of the federal
25 Coronavirus Aid, Relief, and Economic Securities Act, as
26 provided in, 15 U.S. Code §9021, 15 U.S. Code §9023, or as
27 provided in Section 201 or 203 (Extension of CARES Act

1 Unemployment Provisions) of the Consolidated Appropriations
2 Act, 2021 Pub. L. 116-260, or as a result of further extension
3 of these benefits shall be exempt from any state, county, or
4 municipal income tax.

5 "~~(b) (c)~~ (d) An employee whose termination from
6 employment is due to misconduct shall not be allowed to take
7 the tax exemption provided in ~~subsection (a)~~ this section.

8 "~~(c) (d)~~ (e) The Department of Revenue shall
9 promulgate rules and regulations to administer this section."

10 Section 5. The Department of Revenue shall adopt
11 rules for the implementation and administration of this act.

12 Section 6. This act shall become effective
13 immediately following its passage and approval by the
14 Governor, or upon 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..... 02-FEB-21

Read for the second time and placed
on the calendar 1 amendment 11-MAR-21

Read for the third time and passed
as amended..... 16-MAR-21

Yeas 100, Nays 0, Abstains 0

Jeff Woodard
Clerk