

1 SB50
2 126003-1
3 By Senators Ward and Williams
4 RFD: Job Creation and Economic Development
5 First Read: 01-MAR-11
6 PFD: 02/25/2011

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8 SYNOPSIS: This bill would provide tax incentives to
9 Alabama companies that create jobs. This bill would
10 provide inducements for businesses located in
11 Alabama. This bill would provide certain
12 requirements in order to qualify for the tax
13 incentives.

14
15 A BILL
16 TO BE ENTITLED
17 AN ACT

18
19 To provide tax incentives for companies in Alabama
20 and to provide requirements and standards for qualifying for
21 certain tax incentives.

22 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

23 Section 1. The following words shall have the
24 following meanings:

25 (1) CORPORATE HEADQUARTERS. A facility or portion of
26 a facility where corporate staff employees are physically
27 employed and where the majority of a company's or company

1 business unit's financial, personnel, legal, planning,
2 information technology, or other headquarters-related
3 functions are handled either on a regional, national, or
4 global basis. A corporate headquarters must be a regional
5 corporate headquarters, a national corporate headquarters, or
6 global corporate headquarters as defined below:

7 a. National corporate headquarters must be the sole
8 corporate headquarters in the nation and handle
9 headquarters-related functions at least on a national basis. A
10 national headquarters is considered to handle
11 headquarters-related functions on a national basis from this
12 state if the corporation has a facility in this state from
13 which the corporation engages in interstate commerce by
14 providing goods or services for customers outside of this
15 state in return for compensation.

16 b. Regional corporate headquarters must be the sole
17 corporate headquarters within the region and must handle
18 headquarters-related functions on a regional basis. Region or
19 regional means a geographic area comprised of two or more
20 states, including this state.

21 (2) DISTRIBUTION FACILITY. An establishment where
22 shipments of tangible personal property are processed for
23 delivery to customers. The term does not include an
24 establishment where retail sales of tangible personal property
25 are made to retail customers on more than 12 days a year
26 except for a facility which processes customer sales orders by
27 mail, telephone, or electronic means, if the facility also

1 processes shipments of tangible personal property to customers
2 and if at least 75 percent of the dollar amount of goods sold
3 through the facility are sold to customers outside of Alabama.
4 Retail sales made inside the facility to employees working at
5 the facility are not considered for purposes of the 12-day and
6 75 percent limitation.

7 (3) EXTRAORDINARY RETAIL ESTABLISHMENT. A single
8 store located in Alabama within two miles of an interstate
9 highway or in a county with at least three and one-half
10 million visitors a year, and it must be a destination retail
11 establishment which attracts at least two million visitors a
12 year with at least 35 percent of those visitors traveling at
13 least 50 miles to the establishment. The extraordinary retail
14 establishment must have a capital investment of at least
15 twenty-five million dollars (\$25,000,000) including land,
16 buildings, and site preparation costs, and one or more hotels
17 must be built to service the establishment within three years
18 of occupancy. Only establishments which receive a certificate
19 of occupancy after July 1, 2009, qualify. The Alabama Tourism
20 Department shall determine and annually certify whether a
21 retail establishment meets these criteria and its judgment is
22 conclusive. The extraordinary retail establishment annually
23 must collect and remit at least two million dollars in sales
24 taxes but is not required to collect or remit admission taxes.

25 (4) FULL-TIME JOB. A job requiring a minimum of 35
26 hours of an employee's time a week for the entire normal year
27 of company operations or a job requiring a minimum of 35 hours

1 of an employee's time for a week for a year in which the
2 employee was hired initially for or transferred to the Alabama
3 facility. For the purposes of this act, two half-time jobs are
4 considered one full-time job. A half-time job is a job
5 requiring a minimum of 20 hours of an employee's time a week
6 for the entire normal year of the company's operations or a
7 job requiring a minimum of 20 hours of an employee's time a
8 week for a year in which the employee was hired initially for
9 or transferred to the Alabama facility.

10 (5) MANUFACTURING FACILITY. An establishment where
11 tangible personal property is produced or assembled.

12 (6) NEW JOB. A job created in this state at the time
13 a new facility or an expansion is initially staffed. Except as
14 otherwise provided in this subdivision, the term does not
15 include a job created when an employee is shifted from an
16 existing location in this state to a new or expanded facility
17 whether the transferred job is from, or to, a facility of the
18 taxpayer or a related person. The term new job also includes
19 an existing job at a facility of an employer which is
20 reinstated after the employer has rebuilt the facility due to
21 its destruction by accidental fire, natural disaster, or act
22 of God or involuntary conversion as a result of condemnation
23 or exercise of eminent domain by the state or any of its
24 political subdivisions or by the federal government.

25 (7) PROCESSING FACILITY. An establishment that
26 prepares, treats, or converts tangible personal property into
27 finished goods or another form of tangible personal property.

1 The term includes a business engaged in processing
2 agricultural, aquacultural, or maricultural products. It does
3 not include an establishment in which retail sales of tangible
4 personal property are made to retail customers.

5 (8) QUALIFYING SERVICE-RELATED FACILITY. An
6 establishment engaged in an activity or activities listed
7 under the North American Industry Classification System Manual
8 (NAICS) Section 62, subsectors 621, 622, and 623; or a
9 business, other than a business engaged in legal, accounting,
10 banking, or investment services, which has a net increase of
11 at least:

12 a. Two hundred fifty jobs at a single location.

13 b. One hundred twenty-five jobs at a single location
14 and the jobs have an average cash compensation level of more
15 than one and one-half times the lower of state per capita
16 income or per capita income in the county where the jobs are
17 located.

18 c. Seventy-five jobs at a single location and the
19 jobs have an average cash compensation level of more than
20 twice the lower of state per capita income or per capita
21 income in the county where the jobs are located.

22 d. Thirty jobs at a single location and the jobs
23 have an average cash compensation level of more than two and
24 one-half times the lower of state per capita income or per
25 capita income in the county where the jobs are located.

26 (9) RESEARCH AND DEVELOPMENT FACILITY. An
27 establishment engaged in laboratory, scientific, or

1 experimental testing and development related to new products,
2 new uses for existing products, or improving existing
3 products. The term does not include an establishment engaged
4 in efficiency surveys, management studies, consumer surveys,
5 economic surveys, advertising, promotion, banking, or research
6 in connection with literary, historical, or similar projects.

7 (10) TAXPAYER. A sole proprietor, partnership,
8 corporation of any classification, limited liability company,
9 or association taxable as a business entity that is subject to
10 Alabama taxes.

11 (11) TECHNOLOGY INTENSIVE FACILITY. A facility at
12 which a firm engages in the design, development, and
13 introduction of new products or innovative manufacturing
14 processes, or both, through the systematic application of
15 scientific and technical knowledge.

16 (12) TOURISM FACILITY. An establishment used for a
17 theme park; amusement park; historical, educational, or trade
18 museum; botanical garden; cultural center; theater; motion
19 picture production studio; convention center; arena;
20 auditorium; a spectator or participatory sports facility; and
21 similar establishments where entertainment, education, or
22 recreation is provided to the general public. Tourism facility
23 also includes new hotel and motel construction, except that to
24 qualify for the credits allowed by this section and regardless
25 of the county in which the facility is located, the number of
26 new jobs that must be created by the new hotel or motel is 20
27 or more. It does not include that portion of an establishment

1 where retail merchandise or retail services are sold directly
2 to retail customers.

3 (13) WAREHOUSING FACILITY. An establishment where
4 tangible personal property is stored but does not include any
5 establishment where retail sales of tangible personal property
6 are made to retail customers.

7 Section 2. (a) Taxpayers that operate a
8 manufacturing, tourism, processing, warehousing, distribution,
9 research and development facility, a corporate office, a
10 qualifying service-related facility, an extraordinary retail
11 establishment; a qualifying technology intensive facility, as
12 defined pursuant to this act are allowed an annual jobs tax
13 credit as provided in this section. In addition, taxpayers
14 that operate a service-related industry qualify for an annual
15 jobs tax credit in counties designated as least developed or
16 distressed and in counties that are under developed and not
17 traversed by an interstate highway.

18 (b) The Alabama Department of Economic and Community
19 Affairs shall rank and designate the state's counties by
20 December 31 each year using data from the state Department of
21 Finance and the United States Department of Commerce. The
22 county designations are effective for taxable years that begin
23 in the following calendar year. A county's designation may not
24 be lowered in credit amount more than one tier in the
25 following calendar year. The counties are ranked using the
26 last three completed calendar years of per capita income data
27 and the last 36 months of unemployment rate data that are

1 available on November first, with equal weight given to
2 unemployment rate and per capita income as follows:

3 (1) The 12 counties with a combination of the
4 highest unemployment rate and lowest per capita income are
5 designated distressed counties. Notwithstanding any other
6 provision of law, no more than 12 counties may be designated
7 or classified as distressed.

8 (2) The 12 counties with a combination of the next
9 highest unemployment rate and next lowest per capita income
10 are designated underdeveloped counties.

11 (3) The 11 counties with a combination of the next
12 highest unemployment rate and the next lowest per capita
13 income are designated moderately developed counties.

14 (4) The 11 counties with a combination of the lowest
15 unemployment rate and the highest per capita income are
16 designated developed counties.

17 (5) A county, any portion of which is located within
18 25 miles of the boundaries of an applicable military
19 installation or applicable federal facility shall receive the
20 next increased credit designation for five years beginning
21 with the year in which the military installation or federal
22 facility became an applicable military installation or
23 applicable federal facility with the additional requirement
24 that the military installation must have reduced employment on
25 the installation of at least 3,000 employees.

26 (b) In addition to the designation in subdivision
27 (5), of subsection (a), a county in which an applicable

1 military installation or applicable federal facility is
2 located is allowed an additional increased credit designation
3 for five years beginning with the year the installation or
4 facility meets the requirements.

5 (c) In a county where less than five percent of the
6 work force is in manufacturing, the credit allowed is one tier
7 higher than the credit for which the county would otherwise
8 qualify.

9 (d) For a job created in a county that is not
10 traversed by an interstate highway, the credit allowed is one
11 tier higher than the credit for which jobs created in the
12 county would otherwise qualify. This does not apply to a job
13 created in a county eligible for a higher tier pursuant to
14 another provision of this section.

15 (e) In a county in which one employer has lost at
16 least 1,500 jobs in a calendar year, the credit allowed is one
17 tier higher than the credit for which the county would
18 otherwise qualify. The one-tier-higher credit allowed by this
19 subsection is allowed for five taxable years for jobs created
20 in 2009, 2010, and 2011. This subsection does not apply to a
21 job created in a county eligible for a higher tier pursuant to
22 another provision of this section.

23 (f) In a county which is at least 1,000 square miles
24 in size and which has had an unemployment rate greater than
25 the state average for the past 10 years and an average per
26 capita income lower than the average state per capita income
27 for the past ten years, and which is not included in any of

1 the county classifications contained in this subsection, the
2 credit allowed is two tiers higher than the credit for which
3 the county otherwise would qualify.

4 (g) In a county in which one employer has lost at
5 least 1,500 jobs in calendar year 2009, the credit allowed is
6 three tiers higher than the credit for which the county would
7 otherwise qualify. The three-tier-higher credit allowed by
8 this subsection is allowed for five taxable years for jobs
9 created in 2009 and 2010. This subsection does not apply to a
10 job created in a county eligible for a higher tier pursuant to
11 another provision of this section.

12 (h) Notwithstanding the foregoing provisions,
13 nothing in this act shall be construed to conflict with, nor
14 diminish, the designation of a county having a state
15 enterprise zone as defined under the Alabama Enterprise Zone
16 Act.

17 (i) Subject to the conditions provided in subsection
18 (s) of this section, a job tax credit in the amounts described
19 in this subsection is allowed for five years beginning in year
20 two after the creation of the job for each new full-time job
21 created if the minimum level of new jobs is maintained. The
22 credit may be taken in full at the first available time by the
23 employer up to the limitations in subsection (s) of this
24 section, or the credit may be spread over the course of five
25 years. The credit is available to taxpayers that increase
26 employment by 10 or more full-time jobs, and no credit is
27 allowed for the year or any subsequent year in which the net

1 employment increase falls below the minimum level of 10. The
2 amount of the initial job credit for those employers who hire
3 and maintain 10 new jobs as provided in subsection (i) is as
4 follows:

5 (1) Eight thousand dollars (\$8,000) for each new
6 full-time job created in distressed counties.

7 (2) Four thousand five hundred dollars (\$4,500) for
8 each new full-time job created in least developed counties.

9 (3) Three thousand five hundred dollars (\$3,500) for
10 each new full-time job created in under developed counties.

11 (4) Two thousand five hundred dollars (\$2,500) for
12 each new full-time job created in moderately developed
13 counties.

14 (5) One thousand five hundred dollars (\$1,500) for
15 each new full-time job created in developed counties.

16 (j) Subject to the conditions provided in subsection
17 (s) of this section, a job tax credit is allowed for five
18 years beginning in year two after the creation of the job for
19 each new full-time job created if the minimum level of new
20 jobs is maintained. The credit is available to taxpayers with
21 99 or fewer employees that increase employment by two or more
22 full-time jobs, and may be received only if the gross wages of
23 the full-time jobs created pursuant to this section amount to
24 a minimum of 120 percent of the county's or state's average
25 per capita income, whichever is lower. No credit is allowed
26 for the year or any subsequent year in which the net
27 employment increase falls below the minimum level of two. The

1 amount of the initial job credit is as described in subsection
2 (i).

3 If the taxpayer with 99 or fewer employees increases
4 employment by two or more full-time jobs but the gross wages
5 do not amount to a minimum of 120 percent of the county's or
6 state's average per capita income, whichever is lower, then
7 the amount of the initial job credit is as follows:

8 (1) Four thousand dollars (\$4,000) for each new
9 full-time job created in distressed counties.

10 (2) Two thousand two hundred fifty dollars (\$2,250)
11 for each new full-time job created in least developed
12 counties.

13 (3) One thousand seven hundred fifty dollars
14 (\$1,750) for each new full-time job created in under developed
15 counties.

16 (4) One thousand two hundred fifty dollars (\$1,250)
17 for each new full-time job created in moderately developed
18 counties.

19 (5) Seven hundred fifty dollars (\$750) for each new
20 full-time job created in developed counties.

21 (k) If the taxpayer qualifying for the new jobs
22 credit under subsection (i) creates additional new full-time
23 jobs in years two through six, the taxpayer may obtain a
24 credit for those new jobs for five years following the year in
25 which the job is created. The amount of the credit for each
26 new full-time job is the same as provided in subsection (j).

1 (1) The number of new and additional new full-time
2 jobs is determined by comparing the monthly average number of
3 full-time employees subject to Alabama income tax withholding
4 in the applicable county for the taxable year with the monthly
5 average in the prior taxable year. For purposes of calculating
6 the monthly average number of full-time employees in the first
7 year of operation in this state, a taxpayer may use the actual
8 months in operation or a full 12-month period. If a taxpayer's
9 business is in operation for less than 12 months a year, the
10 number of new and additional new full-time jobs is determined
11 using the monthly average for the months the business is in
12 operation.

13 (1) A taxpayer who makes a capital investment of at
14 least fifty million dollars (\$50,000,000) at a single site
15 within a three-year period may elect to have the number of new
16 and additional new full-time jobs determined by comparing the
17 monthly average number of full-time jobs subject to Alabama
18 income tax withholding at the site for the taxable year with
19 the monthly average for the prior taxable year.

20 (2) The calculation of new and additional jobs
21 provided for in this subsection is allowed for only a
22 five-year period commencing in the year in which the fifty
23 million dollars (\$50,000,000) of capital investment is
24 completed.

25 (m) Except for credits carried forward under
26 subsection (n), the credits available under this section are
27 only allowed for the job level that is maintained in the

1 taxable year that the credit is claimed. If the job level for
2 which a credit was claimed decreases, the five-year period for
3 eligibility for the credit continues to run.

4 (n) A credit claimed pursuant to this section but
5 not used in a taxable year may be carried forward for 15 years
6 from the taxable year in which the credit is earned by the
7 taxpayer. Credits that are carried forward must be used in the
8 order earned and before jobs credits claimed in the current
9 year.

10 (o) The merger, consolidation, or reorganization of
11 a taxpayer, where tax attributes survive, does not create new
12 eligibility in a succeeding taxpayer, but unused job tax
13 credits may be transferred and continued by the succeeding
14 taxpayer. In addition, a taxpayer may assign its rights to its
15 jobs tax credit to another taxpayer if it transfers all or
16 substantially all of the assets of the taxpayer or all or
17 substantially all of the assets of a trade or business or
18 operating division of a taxpayer related to the generation of
19 the jobs tax credits to that taxpayer if the required number
20 of new jobs is maintained for that amount of credit. A
21 taxpayer is not allowed a jobs tax credit if the net
22 employment increase for that taxpayer falls below two. The
23 appropriate agency shall determine if qualifying net increases
24 or decreases have occurred and may require reports, adopt
25 rules or promulgate regulations, and hold hearings needed for
26 substantiation and qualification.

1 (p) For a taxpayer which plans a significant
2 expansion in its labor forces at a location in this state, the
3 appropriate agency shall prescribe certification procedures to
4 ensure that the taxpayer can claim credits in future years
5 even if a particular county is removed from the list of
6 distressed, least developed, under developed, or moderately
7 developed counties.

8 (q) An S corporation, limited liability company
9 taxed as a partnership, or partnership that qualifies for a
10 credit under this section may pass through the credit earned
11 to each shareholder of the S corporation, partner of the
12 partnership, or member of the limited liability company.

13 (1) The amount of the credit allowed a shareholder,
14 partner, or member by this subsection is equal to the
15 shareholder's percentage of stock ownership, partner's
16 interest in the partnership, or member's interest in the
17 limited liability company for the taxable year multiplied by
18 the amount of the credit earned by the entity. This
19 nonrefundable credit is allowed against taxes due, and bank
20 taxes imposed may not exceed 50 percent of the shareholder's,
21 partner's, or member's tax liability or bank tax liability.

22 (2) Notwithstanding subdivision (1), the credit
23 earned pursuant to this section by an S corporation owing
24 corporate level income tax must be used first at the entity
25 level. Only the remaining credit passes through to each
26 shareholder.

1 (3) A credit claimed pursuant to this subsection but
2 not used in a taxable year may be carried forward by each
3 shareholder, partner, or member for 15 years from the close of
4 the tax year in which the credit is earned by the S
5 corporation, partnership, or limited liability company. The
6 entity earning the credit may not carry over credit that
7 passes through to its shareholders, partners, or members.

8 (r) Notwithstanding any other provision of this
9 section, a county with a population under 25,000 as determined
10 by the most recent United States census shall receive the next
11 increased credit designation for purposes of the credit
12 allowed by this section.

13 (s) Except for employees in distressed counties, the
14 maximum aggregate credit that may be claimed in any tax year
15 for a single employee pursuant to this section is five
16 thousand dollars (\$5,000).

17 Section 3. (a) A taxpayer eligible for the jobs tax
18 credits allowed pursuant to this act may elect to claim the
19 applicable credit in the manner provided pursuant to
20 subsection (b) of this section.

21 (b) Beginning with the year the new full-time jobs
22 are created, the taxpayer is allowed a jobs tax credit in an
23 amount equal to the credit amount calculated pursuant to this
24 act for not more than five consecutive years. A credit is not
25 allowed for a year in which the new full-time job increase
26 falls below the minimum level of two.

1 Section 4. (a) For purposes of this section the
2 following words shall have the following meanings:

3 (1) Infrastructure Project. A project that includes
4 water lines or sewer lines, their related facilities, and
5 roads that:

6 a. Do not exclusively benefit the taxpayer;

7 b. Are built to applicable standards; and

8 c. Are dedicated to public use or, in the case of
9 water and sewer lines and their related facilities in areas
10 served by a private water and sewer company, the water and
11 sewer lines are deeded to a qualified private entity.

12 (2) Qualified Private Entity. An entity holding the
13 required permits, certifications, and licenses from any other
14 state agencies, departments, or commissions, from which
15 approvals must be obtained in order to operate as a utility
16 furnishing water supply services or sewage collection or
17 treatment services, or both, to the public.

18 (b) A corporation may claim a credit for the
19 construction or improvement of an infrastructure project
20 against taxes due for any of the following:

21 (1) Expenses paid or accrued by the taxpayer.

22 (2) Contributions made to a governmental entity.

23 (3) Contributions made to a qualified private entity
24 in the case of water or sewer lines and their related
25 facilities in areas served by a private water and sewer
26 company.

1 (c) For expenses paid or accrued by the taxpayer in
2 building or improving any one infrastructure project the tax
3 credit is:

4 (1) Equal to 50 percent of the expenses or
5 contribution.

6 (2) Limited to ten thousand dollars (\$10,000)
7 annually.

8 (d) Any unused credit, up to a total amount of
9 thirty thousand dollars (\$30,000), may be carried forward
10 three years.

11 (e) If an infrastructure project benefits more than
12 the taxpayer, the expenses of the taxpayer must be allocated
13 to the various beneficiaries and only those expenses not
14 allocated to the taxpayer's benefit qualify for the credit.

15 (f) The credit may be claimed before dedication or
16 conveyance if the taxpayer submits with its tax return a
17 letter of intent signed by the chief operating officer of the
18 appropriate governmental entity or qualified private entity
19 stating that upon completion the governmental entity or
20 qualified private entity shall accept the infrastructure
21 project for the appropriate use.

22 (g) A qualifying private entity is not allowed the
23 credit provided by this section for expenses it incurs in
24 building or improving facilities it owns, manages, or
25 operates.

26 (h) If a road qualifying for the credit is
27 subsequently removed from the state highway or public road

1 system, the amount of the credit allowed for the construction
2 of the road must be added to any corporate income tax due from
3 the taxpayer in the first taxable year following the removal
4 of the road from public use. The Department of Revenue may
5 implement the provisions of this subsection by rules.

6 (i) A corporation which files or is required to file
7 a consolidated return is entitled to the income tax credit
8 allowed by this section on a consolidated basis. The tax
9 credit may be determined on a consolidated basis regardless of
10 whether or not the corporation entitled to the credit
11 contributed to the tax liability of the consolidated group.

12 (j) The merger, consolidation, or reorganization of
13 a corporation where tax attributes survive does not create new
14 eligibility in a succeeding corporation but unused credits may
15 be transferred and continued by the succeeding corporation. In
16 addition, a corporation may assign its rights to its unused
17 credit to another corporation if it transfers all, or
18 substantially all, of the assets of the corporation or all, or
19 substantially all, of the assets of a trade or business or
20 operating division of a corporation to another corporation.

21 Section 5. (a) An employer shall be eligible for
22 additional credits as defined in this section if the employer
23 employs a person who meets any of the following criteria:

24 (1) A person who received welfare benefits payments
25 within this state for three months immediately preceding the
26 month the person becomes employed.

1 (2) A person who is a disabled veteran entitled to
2 compensation for a service connected disability and who was
3 unemployed for the six months prior to the subject employment.

4 (3) A disabled person referred to the employer upon
5 completion or while receiving rehabilitation services approved
6 by the state or the Department of Veterans Affairs.

7 (4) A person who was previously convicted of a
8 felony and who is hired not more than one year after the
9 conviction or release from prison.

10 (5) A person who is receiving Supplemental Security
11 Income benefits for any month ending during the 60-day period
12 ending on the hiring date.

13 (6) A person who is a veteran hired after September
14 11, 2001, who is certified as having been honorably discharged
15 or released from active duty at any time during the five-year
16 period ending on the hiring date and who received unemployment
17 compensation under state or federal law for not less than four
18 weeks during the one-year period ending on the hiring date.

19 (b) An employer shall not qualify for the credits
20 considered within this section if the employee in question
21 meets any of the following criteria:

22 (1) Is a relative or dependant of the principal
23 owners of the employer.

24 (2) Is any majority owner of the employer.

25 (3) Is a rehired former employee of the employer.

1 (4) Has been relocated or reassigned from another
2 business location that is commonly owned by the current
3 employer.

4 (c) The available credit for each employee hired
5 shall be set as follows:

6 (1) Twenty percent of the wages paid to the employee
7 for each full month of employment for the first 12 months of
8 employment.

9 (2) Fifteen percent of the wages paid to the
10 employee for each full month of employment during the second
11 12 months of employment.

12 (3) Ten percent of the wages paid to the employee
13 for each full month during the third 12 months of employment.

14 (d) Except for employees employed in distressed
15 counties, the maximum aggregate credit that may be claimed in
16 a tax year for a single employee is five thousand five hundred
17 dollars (\$5,500).

18 (e) In addition to the credits provided for in
19 subsection (c), and this act, an employer who employs a person
20 who meets the specific criteria outlined in subsection (a) and
21 employs that person to work full time in a distressed county
22 or a least developed county, is allowed an additional credit
23 in an amount equal to one hundred seventy-five dollars (\$175)
24 for each full month during the first 24 months of employment.

25 (f) In order to claim the credit provided in
26 subsection (c), an employer must make health insurance
27 available to the qualified employee. All conditions including

1 employer contributions and employer imposed waiting periods
2 for the qualified employee must be on the same basis and under
3 the same conditions as that of any other employee employed by
4 the employer claiming the credit. The credit is allowed from
5 the date of hire for each full month of employment
6 notwithstanding an employer imposed waiting period which must
7 not exceed 12 months.

8 (g) Nothing in this section may be construed to
9 require employers to pay for all or part of any health
10 insurance coverage for a qualified employee in order to claim
11 the credit if an employer does not pay for all or part of
12 health insurance coverage for his other employees.

13 (h) The Work Opportunity Tax Credit Division of the
14 Alabama Department of Industrial Relations must make
15 information available to employers interested in hiring
16 full-time employees. An employer shall submit an employee
17 release and shall request in writing certification of
18 eligibility from the Work Opportunity Tax Credit Division of
19 the Alabama Department of Industrial Relations no later than
20 the fifteenth day of the first month after the end of the
21 taxable year in which the employer hires the employee. The
22 department has 30 days from the date the employer submits the
23 employee release and request in which to approve or deny in
24 writing certification of eligibility. Nothing within this
25 subsection shall be construed to prevent an employer from
26 submitting a request for certification eligibility immediately
27 upon hiring the employee as opposed to submitting all requests

1 at the same time in the first month after the end of the
2 taxable year in which the employer hires the employee.

3 (i) No income tax credit provided for in subsection
4 (c) may be taken under this section if the position filled by
5 the recipient was made available due to the termination or
6 forced resignation of an employee for the purpose of obtaining
7 the tax credit. Nothing in this section creates a private
8 cause of action which does not otherwise exist at law.

9 (j) A credit claimed under this section but not used
10 in a taxable year may be carried forward 15 years from the
11 taxable year in which the credit is earned.

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