

ACT No. 2011 - 551

1 HB230  
2 126349-7  
3 By Representatives Galliher, Hubbard (M), Thomas, Sanderford,  
4 Rich, McMillan, Mask, Tuggle, Long, Treadaway, Drake, Johnson  
5 (K), Fincher, Hill, McCutcheon, Canfield, Oden, Jones, Wren,  
6 Merrill, Nordgren, Wood, Patterson, Williams (J), Chesteen,  
7 Gaston, Wallace, Greer, Baughn, Bridges, Williams (P), Lee,  
8 Johnson (W), Weaver, Ison, Farley, Roberts, Beckman, Collins,  
9 Williams (D), Clouse, Hurst, Johnson (R), Hammon, Boman,  
10 McClurkin, Love, Poole, Faust, Brown, Shiver, Boothe, Henry,  
11 Beech, Todd, Hall, Melton, McCampbell, Grimsley, Boyd,  
12 McAdory, Hubbard (J) and Ford  
13 RFD: Economic Development and Tourism  
14 First Read: 10-MAR-11



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ENROLLED, An Act,

To provide an incentive for job creation in Alabama; and to make legislative findings regarding the purpose of this act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act may be cited as the "Full Employment Act of 2011."

Section 2. For purposes of this act, a small business is defined as a business that employs 50 or fewer employees on the effective date of this act.

Section 3. The Legislature finds and determines, in accordance with its goal, shared by Governor Robert Bentley, of achieving statistical full employment for Alabama's citizens, that the Legislature intends to foster an optimal environment for job growth throughout the state.

Section 4. (a) An Alabama income and financial institution excise tax credit is hereby established for small businesses that create new jobs paying more than ten dollars (\$10) per hour. The credit shall equal one thousand dollars (\$1,000) and shall be available in the tax year during which the employee has completed 12 months of consecutive employment.

(b) The employer must have a net increase in the total number of full time employees in Alabama on the last

1 date of each tax year during which employees are hired for  
2 which ~~he or she~~ the employer claims a credit, over the number  
3 employed in Alabama as of the last day of the tax year  
4 immediately preceding the first ~~credit~~ employment year. The  
5 increase must equal or exceed the number of newly hired  
6 employees for which a credit is sought by one employee for  
7 each newly hired employee for whom a credit is being sought  
8 for the current year, plus one employee for all employees for  
9 whom credits were claimed in prior years.

10 (c) The credit shall be allowed against the tax  
11 imposed by Chapter 16 or Chapter 18, Title 40 of the Code of  
12 Alabama 1975. This tax credit shall not be allowed to decrease  
13 a taxpayer's tax liability to less than zero. The credit is  
14 not refundable or transferable. The credit shall be available,  
15 on a pro rata basis, to the owners of qualified employers that  
16 are entities taxed under subchapters S or K of the Internal  
17 Revenue Code.

18 (d) A financial institution shall be allowed to  
19 claim the credit against the liability determined in Chapter  
20 16 of Title 40.

21 ~~(d)~~ (e) The income tax credit provided in this  
22 section may be claimed only for employees who are hired  
23 following the date this act is signed by the Governor or is  
24 otherwise formally enacted.

1           Section 5. The provisions of this act are severable.  
2 If any part of this act is declared invalid or  
3 unconstitutional, that declaration shall not affect the part  
4 which remains.

5           Section 6. ~~All laws or parts of laws which conflict~~  
6 ~~with this act are repealed. Act 2010-557 of the 2010 Regular~~  
7 ~~Session (Acts 2010, p. 1132), now appearing as Article 10,~~  
8 ~~commencing at Section 40-18-270 of Chapter 18 of Title 40,~~  
9 ~~Code of Alabama 1975, is specifically repealed.~~

10           Section 7. This act shall become effective for the  
11 tax years beginning on or after January 1, 2011.

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Speaker of the House of Representatives

*Kay Ivey*

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 14-APR-11, as amended.

Greg Pappas  
Clerk

|        |                  |                               |
|--------|------------------|-------------------------------|
| Senate | <u>02-JUN-11</u> | Amended and Passed            |
| House  | <u>02-JUN-11</u> | Concurred in Senate Amendment |

APPROVED June 9, 2011  
 TIME 8:45 am  
Robert Bentley  
 GOVERNOR

Alabama Secretary Of State

Act Num....: 2011-551  
Bill Num....: H-230