

HB118 INTRODUCED



1 HB118
2 C5DAWJQ-1
3 By Representatives Robbins, Chestnut
4 RFD: Ways and Means Education
5 First Read: 06-Feb-24



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SYNOPSIS:

This bill would establish a state income tax credit for recruited workers and remote workers that move to certain counties in Alabama.

A BILL
TO BE ENTITLED
AN ACT

Relating to income tax; to define certain terms; and to provide for a tax credit to a recruited worker or remote worker who moves to certain counties in Alabama.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. For the purpose of this act, the following terms and phrases have the following meanings:

(1) AFFECTED COUNTY.

a. Tier 1 County. Any Alabama county that has a population of less than 25,000.

b. Tier 2 County. Any Alabama county that has a population of more than 25,000 but less than 50,000.

c. Tier 3 County. Any Alabama county that has a population of more than 50,000 but less than 100,000.

(2) OPPORTUNITY ZONE. As defined in I.R.C. § 1400Z-1.

(3) RECRUITED WORKER. An individual that satisfies all



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29 of the following criteria:

30 a. Is employed in one of the following capacities:

31 1. LAW ENFORCEMENT OFFICER. As defined in Section
32 36-21-40, Code of Alabama 1975.

33 2. NURSE. An individual licensed under Chapter 31,
34 Title 34, Code of Alabama 1975.

35 3. TEACHER. As defined in Section 16-24-1, Code of
36 Alabama 1975.

37 b. Resided outside of Alabama for the entirety of the
38 calendar year immediately prior to the first tax year in which
39 a credit under this act is claimed.

40 c. Resided in an affected county a minimum of six
41 months in the tax year in which the tax credit is claimed.

42 (4) REMOTE WORKER. An individual that satisfies all of
43 the following criteria:

44 a. Resided outside of Alabama for the entirety of the
45 calendar year immediately prior to the first tax year in which
46 a credit under this act is claimed.

47 b. Performs their job duties off-site or outside of the
48 physical geographic location of their employer's workspace,
49 including independent contractors.

50 c. Resided in an affected county a minimum of six
51 months in the tax year in which the tax credit is claimed.

52 d. Has a taxable income of at least fifty-five thousand
53 dollars (\$55,000) annually.

54 Section 2. (a) An Alabama individual income tax credit
55 in the amount of thirty thousand dollars (\$30,000) may be
56 claimed by any recruited worker or remote worker residing in a



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57 Tier 1 County each tax year for no more than three tax years.

58 (b) An Alabama individual income tax credit in the
59 amount of twenty thousand dollars (\$20,000) may be claimed by
60 any recruited worker or remote worker residing in a Tier 2
61 County each tax year for no more than three tax years.

62 (c) An Alabama individual income tax credit in the
63 amount of ten thousand dollars (\$10,000) may be claimed by any
64 recruited worker or remote worker residing in a Tier 3 County
65 each tax year for no more than three tax years.

66 (d) (1) An Alabama individual income tax credit in the
67 amount of five thousand dollars (\$5,000) may be claimed by any
68 recruited worker or remote worker residing in an opportunity
69 zone each tax year for no more than three tax years.

70 (2) A recruited worker or remote worker claiming the
71 tax credit provided under this subdivision may also claim the
72 applicable tax credit provided under subdivisions (a) through
73 (c).

74 (e) Any tax credit issued under this section may not
75 decrease a taxpayer's tax liability to less than zero. If the
76 tax liability of the taxpayer is less than the tax credit
77 issued under this section, the taxpayer may only utilize the
78 amount of the credit that reduces the taxpayer liability to
79 zero. The tax credit is not refundable nor transferable and
80 may be carried forward for up to five years.

81 (f) The tax credit authorized by this act is limited to
82 an aggregate amount for all taxpayers of two million dollars
83 (\$2,000,000) annually.

84 (g) (1) The tax credit allowed under this section shall



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85 be effective beginning January 1, 2024, for the 2024 tax year,
86 and shall continue through the 2028 tax year, unless continued
87 by an act of the Legislature.

88 (2) Notwithstanding subdivision (g)(1), an individual
89 first claiming a credit during the period listed in
90 subdivision (g)(1) and who remains otherwise eligible may
91 claim this credit for two consecutive tax years.

92 (3) Notwithstanding the other provisions of this
93 subsection, an individual shall not claim this credit for more
94 than three tax years.

95 (h) The Department of Revenue may adopt rules for the
96 implementation and administration of this section.

97 Section 3. This act shall become effective on June 1,
98 2024.