

HB 391 -- Income Tax Credit for Certain Small Business Employers

Sponsor: Kratky

Beginning January 1, 2014, this bill authorizes an income tax credit of \$500 for each person a small business hires who is disabled or who has been discharged from a state or federal correctional facility within the 12 months immediately preceding the hiring. The disabled individual, as defined in the bill, must be employed for at least one year with an average of 25 hours per week; and an individual discharged from a correctional facility must work at least one year for an average of 40 hours per week before the small business will be eligible for the credit. The small business will be eligible for the credit for the first three years the individual recently discharged from a correctional facility is employed and for each year the disabled person is employed. The credit will be issued on a first-come, first-served basis and is not refundable or transferable but can be carried forward for three subsequent taxable years. No more than \$10 million of these credits can be issued in any fiscal year.

The provisions of the bill will expire December 31 six years after the effective date.