COMMITTEE REPORT

April 22, 2009

**S. 690**

Introduced by Senators Peeler, Shoopman, S. Martin, Mulvaney, L. Martin, Courson, Alexander, Massey, Campbell, Bryant, Fair, Rose, Cromer, Hayes, Anderson, Ryberg, Bright, Setzler, Leatherman, Davis, McConnell and Grooms

S. Printed 4/22/09--S. [SEC 4/23/09 12:00 PM]

Read the first time April 14, 2009.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 690) to amend the Code of Laws of South Carolina, 1976, by adding Section 12‑6‑3760, so as to allow a state tax credit for employers hiring an unemployed, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HUGH K. LEATHERMAN, SR. for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3760, SO AS TO ALLOW A STATE TAX CREDIT FOR EMPLOYERS HIRING AN UNEMPLOYED INDIVIDUAL RECEIVING UNEMPLOYMENT COMPENSATION BENEFITS, TO PROVIDE THE AMOUNT OF THE CREDIT, THOSE TAXES AGAINST WHICH THE CREDIT IS ALLOWED, AND THE ELIGIBILITY REQUIREMENTS FOR CREDITABLE EMPLOYEES, TO PROVIDE FOR THE ADMINISTRATION OF THE CREDIT, AND TO PROVIDE THAT THE CREDIT IS ALLOWED FOR ELIGIBLE INDIVIDUALS HIRED AFTER JUNE 30, 2009, AND BEFORE JULY 1, 2010, AND EXTENDS FOR TWENTY‑FOUR MONTHS FOR EACH CREDITABLE EMPLOYEE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3760. (A) As used in this section, ‘creditable employee’ means an employee of a taxpayer employer who:

(1) is first employed by the employer after June 30, 2009, and before July 1, 2010;

(2) has filed a claim for unemployment compensation in this State and is currently receiving weekly unemployment compensation benefits on that claim for at least four weeks;

(3) was unemployed immediately before becoming employed;

(4) has no return to work date or promise of future employment;

(5) remains employed by the employer for at least four consecutive work weeks and the employment with that employer consists of at least thirty‑five hours a week; and

(6) executes and provides a notarized affidavit swearing or affirming that the employee is eligible to work in the United States because the person is either a United States citizen or a lawfully present alien according to federal law.

(B) An employer who has one or more creditable employees and who provides a notarized affidavit attesting to use of the federal employment verification system now known as ‘E‑Verify’ or any future federal employment verification system is eligible to apply for and receive a credit against these taxes as provided in subsection (C) of this section. The amount of the credit is one hundred dollars a month for each creditable employee. Eligibility for the credit must be established as of the time the creditable employee completes thirty consecutive days of employment and the credit must be claimed for the taxable year in which the employment was completed.

(C) The credit allowed pursuant to subsection (B) of this section may be taken against the income taxes imposed pursuant to this chapter, the bank tax imposed pursuant to Chapter 11 of this title, the savings and loan association tax imposed pursuant to Chapter 13 of this title, the corporate license tax imposed pursuant to Chapter 20 of this title, and insurance premium taxes imposed pursuant to Chapter 7, Title 38.

(D) The total amount of any tax credit for a taxable year may not exceed the taxpayer’s tax liability. Any unused tax may be carried over to apply to the taxpayer’s succeeding year’s liability.

(E) The tax credit provided for in subsection (B) remains in effect for twenty‑four consecutive months for each creditable employee.”

SECTION 2. This act takes effect upon approval by the Governor.

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