**A** **BILL**

TO ENACT THE “SOUTH CAROLINA BACK TO WORK TAX REBATE ACT OF 2010” TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 12‑6‑3765 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 WHICH MUST BE EQUAL TO THE STATE INCOME TAX WITHHOLDINGS APPLICABLE TO THAT EMPLOYEE FOR A PERIOD OF UP TO ONE YEAR, TO PROVIDE THE ELIGIBILITY REQUIREMENTS FOR CREDITABLE EMPLOYEES, TO PROVIDE FOR THE ADMINISTRATION OF THE CREDIT, TO PROVIDE THAT THE CREDIT IS ALLOWED FOR ELIGIBLE EMPLOYEES HIRED AFTER THE EFFECTIVE DATE OF THIS SECTION AND BEFORE JANUARY 1, 2011, AND TO PROVIDE FOR THE DURATION OF THE CREDIT.

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

SECTION 1. This act is known and may be cited as the “South Carolina Back to Work Tax Rebate Act of 2010”.

SECTION 2. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3765. (A) As used in this section, ‘creditable employee’ means an employee of a taxpayer employer who:

(1) is first employed by the employer after the effective date of this section and before January 1, 2011;

(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 eight 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 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 the credit as provided in this section. Eligibility for the credit must be established as of the time the creditable employee completes thirty consecutive days of employment.

(C) Any employer who files and remits state income tax withholdings for its employees as required by law which hires a creditable employee as defined in subsection (A) shall:

(1) not remit but shall retain as a jobs‑tax credit the amount of South Carolina income tax withholdings attributable to that employee otherwise required to be remitted to the Department of Revenue for the employment period which applies to the creditable employee; and

(2) not remit but shall retain the amount otherwise required to be remitted for up to one full year from the date the first report is due in regard to that employee’s income tax withholdings.

(D) Any employee hired pursuant to the provisions of this section immediately shall notify the Employment Security Commission of the hiring and the employee shall cease receiving unemployment benefits upon the receipt of his initial pay for the job for which he has been hired.

(E) The Department of Revenue immediately shall provide a form for employers to utilize for the immediate receipt of the benefits of this section.

(F) The Employment Security Commission immediately shall provide for the termination of unemployment benefits upon notice of the hiring of an employee and receipt of wages by the employee from the employer, pursuant to the provisions of this section.

(G) Upon notice to the Employment Security Commission by an employer that the employer has offered a job to a person who had been unemployed for at least eight weeks in an effort to qualify for the tax credit provided for by this section, and that such person refused to accept the job offered, the commission shall proceed to terminate the receipt of unemployment compensation payments to this person.

(H) The creditable employee shall receive full credit against his state income tax liability for the amount of his income tax withholdings retained by his employer as a job tax credit under this section.

(I) The provisions of this section do not apply to:

(1) an employee who is not hired for at least thirty hours per week;

(2) an employer for the hiring of a member of his immediate family;

(3) any public sector jobs or jobs paid for entirely with state, local or federal funds;

(4) any employer that has previously reduced its number of employees for purposes of later hiring employees under the provisions of this section as determined by the Department of Revenue.

(J) If any other provision of law provides for the retention of income tax withholdings by an employer for use for a purpose other than transmission to the Department of Revenue for deposit into the state general fund, those provisions of law are superseded by the provisions of this section and the provisions of this section take precedence over those other provisions of law to the extent they conflict.”

SECTION 3. This act takes effect upon approval by the Governor.

‑‑‑‑XX‑‑‑‑