

HB 1319 -- TAX CREDIT FOR EMPLOYERS OF HIGH SCHOOL STUDENTS
(Brown, 50)

COMMITTEE OF ORIGIN: Special Committee on Job Creation and
Economic Development

Beginning January 1, 2009, this bill authorizes a tax credit for employers who hire qualified high school students for summer jobs. The tax credit is equal to 35% of the wages paid to the student employee, but can only be claimed if the employer pays the student at least a total of \$100. An employer can claim up to \$50,000 per year. The program has a cumulative annual cap of \$3 million. The credit is nonrefundable, but can be carried forward up to four years.

To qualify, a student must be currently enrolled as a junior or senior in high school, meet minimum attendance requirements, earn at least a 2.0 grade point average, and be eligible for the free or reduced-price school lunch program. Students who are home schooled and meet these requirements are also eligible. The Department of Elementary and Secondary Education must establish a procedure by which an employer can determine if he or she is eligible to receive the tax credit based on if the student employee qualifies. The department must also track students for whom employers receive this tax credit.

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

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$163,341 in FY 2009, \$75,187 to \$3,098,459 in FY 2010, and \$77,442 to \$3,113,204 in FY 2011. No impact on Other State Funds in FY 2009, FY 2010, and FY 2011.