

# HB 2417 -- SMALL BUSINESS TAX DEDUCTION

SPONSOR: Kratky

Starting January 1, 2017, this bill allows a tax deduction for those small businesses that employ a disabled employee or ex-offender employee. The deduction shall be \$5,000 for each qualifying disabled or ex-offender employee, not to exceed \$10 million, and may be applied in each of the subsequent three tax years.

A qualifying disabled employee must work at least 25 hours per week, have been employed by the small business for at least one year, and who is at least 50% disabled as determined by the Social Security Administration or the Department of Veterans Affairs, or determined to be disabled by the Division of Vocational Rehabilitation and is participating in the division's job placement program. A qualifying ex-offender employee must work at least 40 hours per week, have been employed for at least one year, and discharged from a correctional facility during the 12 months preceding such employment.

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

This bill is similar to HB 862 (2015).