

SENATE MOTION

MADAM PRESIDENT:

I move that Senate Bill 236 be amended to read as follows:

1 Page 10, between lines 2 and 3, begin a new paragraph and insert:
2 "SECTION 14. IC 6-3.1-33 IS ADDED TO THE INDIANA CODE
3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
4 JANUARY 1, 2010 (RETROACTIVE)];

5 **Chapter 33. Reemployment Tax Credit**

6 **Sec. 1. As used in this chapter, "qualified employee" means an**
7 **individual who:**

8 **(1) is employed by a taxpayer for consideration for at least**
9 **thirty-five (35) hours each week or renders any other**
10 **standard of service generally accepted by custom or specified**
11 **by contract as full-time employment;**

12 **(2) after June 30, 2008, was separated from employment at a**
13 **place of employment located in Indiana;**

14 **(3) after June 30, 2008, received or was eligible to receive**
15 **unemployment benefits under IC 22-4; and**

16 **(4) was employed or reemployed by the taxpayer after**
17 **December 31, 2009, and before January 1, 2012.**

18 **Sec. 2. As used in this chapter, "state tax liability" means a**
19 **taxpayer's total tax liability that is incurred under:**

20 **(1) IC 6-3-1 through IC 6-3-7 (the adjusted gross income tax);**

21 **(2) IC 6-5.5 (the financial institutions tax); and**

22 **(3) IC 27-1-18-2 (the insurance premiums tax);**

23 **as computed after the application of the credits that under**
24 **IC 6-3.1-1-2 are to be applied before the credit provided by this**
25 **chapter.**

26 **Sec. 3. As used in this chapter, "taxpayer" means a person,**
27 **corporation, partnership, or other entity that has any state tax**
28 **liability.**

29 **Sec. 4. (a) Except as provided in subsection (b), a taxpayer is**
30 **entitled to a credit against any state tax liability that may be**
31 **imposed on the taxpayer for a taxable year that commences in 2010**

1 and 2011, in an amount equal to the lesser of the following:

2 (1) Ten percent (10%) of the wages paid to a qualified
3 employee by the taxpayer during the taxable year.

4 (2) Seven thousand dollars (\$7,000).

5 (b) The maximum amount of tax credits that may be allowed
6 under this chapter during a state fiscal year for all taxpayers is
7 seven million dollars (\$7,000,000). If the maximum amount of tax
8 credits claimed under this chapter in any taxable year exceeds the
9 allowable maximum, the amount of the tax credit must be prorated
10 among all taxpayers that qualify for a tax credit under this
11 chapter.

12 **Sec. 5.** If a pass through entity is entitled to a credit under
13 section 4 of this chapter but does not have state tax liability against
14 which the tax credit may be applied, a shareholder, partner, or
15 member of the pass through entity is entitled to a tax credit equal
16 to:

17 (1) the tax credit determined for the pass through entity for
18 the taxable year; multiplied by

19 (2) the percentage of the pass through entity's distributive
20 income to which the shareholder, partner, or member is
21 entitled.

22 **Sec. 6. (a)** If the credit provided by this chapter exceeds the
23 taxpayer's state tax liability for the taxable year for which the
24 credit is first claimed, the excess may be carried forward to
25 succeeding taxable years and used as a credit against the
26 taxpayer's state tax liability during those taxable years. Each time
27 that the credit is carried forward to a succeeding taxable year, the
28 credit is to be reduced by the amount that was used as a credit
29 during the immediately preceding taxable year.

30 (b) A taxpayer is not entitled to any carryback or refund of any
31 unused credit.

32 **Sec. 7. (a)** To receive the credit provided by this chapter, a
33 taxpayer must:

34 (1) submit to the department with the taxpayer's state tax
35 return or returns information sufficient as determined by the
36 department to establish that an employee for whom a tax
37 credit is claimed is a qualified employee; and

38 (2) claim the credit on the taxpayer's state tax return or
39 returns in the manner prescribed by the department.

40 (b) The taxpayer shall submit to the department all information
41 that the department determines is necessary for the calculation of
42 the credit provided by this chapter.

43 **Sec. 8.** This chapter expires January 1, 2016.

44 SECTION 15. IC 22-4-25-1, AS AMENDED BY P.L.182-2009(ss),
45 SECTION 368, IS AMENDED TO READ AS FOLLOWS
46 [EFFECTIVE JULY 1, 2010]: Sec. 1. (a) There is created in the state
47 treasury a special fund to be known as the special employment and
48 training services fund. All interest on delinquent contributions and

1 penalties collected under this article, together with any voluntary
2 contributions tendered as a contribution to this fund, shall be paid into
3 this fund. The money shall not be expended or available for
4 expenditure in any manner which would permit their substitution for
5 (or a corresponding reduction in) federal funds which would in the
6 absence of said money be available to finance expenditures for the
7 administration of this article, but nothing in this section shall prevent
8 said money from being used as a revolving fund to cover expenditures
9 necessary and proper under the law for which federal funds have been
10 duly requested but not yet received, subject to the charging of such
11 expenditures against such funds when received. The money in this fund
12 shall be used by the board for the payment of refunds of interest on
13 delinquent contributions and penalties so collected, for the payment of
14 costs of administration which are found not to have been properly and
15 validly chargeable against federal grants or other funds received for or
16 in the employment and training services administration fund, on and
17 after July 1, 1945. Such money shall be available either to satisfy the
18 obligations incurred by the board directly, or by transfer by the board
19 of the required amount from the special employment and training
20 services fund to the employment and training services administration
21 fund. The board shall order the transfer of such funds or the payment
22 of any such obligation or expenditure and such funds shall be paid by
23 the treasurer of state on requisition drawn by the board directing the
24 auditor of state to issue the auditor's warrant therefor. Any such warrant
25 shall be drawn by the state auditor based upon vouchers certified by the
26 board or the commissioner. The money in this fund is hereby
27 specifically made available to replace within a reasonable time any
28 money received by this state pursuant to 42 U.S.C. 502, as amended,
29 which, because of any action or contingency, has been lost or has been
30 expended for purposes other than or in amounts in excess of those
31 approved by the bureau of employment security. The money in this
32 fund shall be continuously available to the board for expenditures in
33 accordance with the provisions of this section and shall not lapse at any
34 time or be transferred to any other fund, except as provided in this
35 article. Nothing in this section shall be construed to limit, alter, or
36 amend the liability of the state assumed and created by IC 22-4-28, or
37 to change the procedure prescribed in IC 22-4-28 for the satisfaction of
38 such liability, except to the extent that such liability may be satisfied by
39 and out of the funds of such special employment and training services
40 fund created by this section.

41 (b) **Subject to section 3 of this chapter**, whenever the balance in
42 the special employment and training services fund exceeds eight
43 million five hundred thousand dollars (\$8,500,000), the board shall
44 order payment of the amount that exceeds eight million five hundred
45 thousand dollars (\$8,500,000) into the unemployment insurance benefit
46 fund.

47 (c) **Subject to section 3 of this chapter**, the approval of the board,

1 and the availability of funds, on July 1, 2008, and each subsequent July
2 1, the commissioner shall release:

3 (1) one million dollars (\$1,000,000) to the state educational
4 institution established under IC 21-25-2-1 for training provided
5 to participants in apprenticeship programs approved by the United
6 States Department of Labor, Bureau of Apprenticeship and
7 Training;

8 (2) four million dollars (\$4,000,000) to the state educational
9 institution instituted and incorporated under IC 21-22-2-1 for
10 training provided to participants in joint labor and management
11 apprenticeship programs approved by the United States
12 Department of Labor, Bureau of Apprenticeship and Training;

13 (3) two hundred fifty thousand dollars (\$250,000) for journeyman
14 upgrade training to each of the state educational institutions
15 described in subdivisions (1) and (2);

16 (4) four hundred thousand dollars (\$400,000) annually for
17 training and counseling assistance:

18 (A) provided by Hometown Plans under 41 CFR 60-4.5; and

19 (B) approved by the United States Department of Labor,
20 Bureau of Apprenticeship and Training;

21 to individuals who have been unemployed for at least four (4)
22 weeks or whose annual income is less than twenty thousand
23 dollars (\$20,000); and

24 (5) three hundred thousand dollars (\$300,000) annually for
25 training and counseling assistance provided by the state
26 institution established under IC 21-25-2-1 to individuals who
27 have been unemployed for at least four (4) weeks or whose annual
28 income is less than twenty thousand dollars (\$20,000) for the
29 purpose of enabling those individuals to apply for admission to
30 apprenticeship programs offered by providers approved by the
31 United States Department of Labor, Bureau of Apprenticeship and
32 Training.

33 (d) The funds released under subsection (c)(4) through (c)(5):

34 (1) shall be considered part of the amount allocated under section
35 2.5 of this chapter; and

36 (2) do not limit the amount that an entity may receive under
37 section 2.5 of this chapter.

38 (e) Each state educational institution described in subsection (c) is
39 entitled to keep ten percent (10%) of the funds released under
40 subsection (c) for the payment of costs of administering the funds. On
41 each June 30 following the release of the funds, any funds released
42 under subsection (c) not used by the state educational institutions under
43 subsection (c) shall be returned to the special employment and training
44 services fund.

45 SECTION 16. IC 22-4-25-2, AS ADDED BY P.L.108-2006,
46 SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
47 JULY 1, 2010]: Sec. 2. (a) As used in this section, "fund" refers to the

1 special employment and training services fund created under section
2 1 of this chapter.

3 (b) **Subject to section 3 of this chapter**, the commissioner may
4 allocate an amount not to exceed two million dollars (\$2,000,000)
5 annually from the fund to establish reemployment training accounts to
6 provide training and reemployment services to department employees
7 dislocated by:

- 8 (1) a reduction of funding for;
- 9 (2) a centralization or decentralization of; or
- 10 (3) the implementation of a more efficient technology or service
11 delivery method in connection with;

12 the programs and services provided under this article.

13 SECTION 17. IC 22-4-25-2.5, AS ADDED BY P.L.47-2006,
14 SECTION 47, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
15 JULY 1, 2010]: Sec. 2.5. (a) **Subject to section 3 of this chapter**, in
16 support of IC 8-14-14, IC 8-15-2, IC 8-15-3, and IC 8-15.5, the
17 commissioner shall allocate an amount not to exceed two million
18 dollars (\$2,000,000) annually for pre-apprenticeship and
19 apprenticeship training and counseling assistance relating to the
20 construction trades for individuals who:

- 21 (1) are not otherwise eligible for training and counseling
22 assistance under any other program; and
- 23 (2) are not participating in programs that duplicate those
24 programs described in section 1(e) of this chapter.

25 Priority shall be granted to training or counseling persons who are
26 members of a minority group (as defined by IC 4-13-16.5-1). The
27 training and counseling assistance programs funded by this section
28 must be approved by the department.

29 (b) This section expires December 31, 2012.

30 SECTION 18. IC 22-4-25-3 IS ADDED TO THE INDIANA CODE
31 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
32 1, 2010]: **Sec. 3. (a) As used in this section, "fund" refers to the
33 special employment and training services fund established by
34 section 1 of this chapter.**

35 (b) **On August 1, 2011, and August 1, 2012, the commissioner
36 shall transfer to the treasurer of state for deposit into the state
37 general fund the lesser of the following amounts:**

- 38 (1) **The amount of tax credits claimed under IC 6-3.1-33 in a
39 taxable year ending in the most recently completed state fiscal
40 year (including any amounts that will be carried forward to
41 a subsequent taxable year).**
- 42 (2) **Seven million dollars (\$7,000,000).**

43 (c) **The transfer described in subsection (b) takes precedence
44 over any other payment authorized or required by this chapter,
45 except for a payment required by federal law.**

46 (d) **This section expires January 1, 2013."**

47 Renumber all SECTIONS consecutively.

(Reference is to SB 236 as printed January 29, 2010.)

Senator TAYLOR