

**REVENUE ESTIMATING CONFERENCE**

**TAX:** Various  
**ISSUE:** Tax Refunds/Hiring Inner-City Youth  
**BILL NUMBER(S):** SB 458  
**SPONSOR(S):** Senator Siplin  
**MONTH/YEAR COLLECTION IMPACT BEGINS:** N/A  
**DATE OF ANALYSIS:** January 18, 2007

**SECTION 1: NARRATIVE**

**a. Current Law:** Currently, there is no provision for a refund of any tax administered by the Department of Revenue for businesses that hire at-risk, inner-city youth.

**b. Proposed Change:** Authorizes a refund of eligible taxes, certified by the Department, that were paid by a business that hired an at-risk, inner-city youth. The refund shall be equal to 20 percent of the portion of the actual monthly wages paid to eligible employees in this state which exceeds the federal minimum wage. The refund cannot exceed \$6,000 per eligible employee per fiscal year. However, a business may receive an additional amount of \$70 per month for each eligible employee who is covered by a health insurance plan offered by the business.

A business may claim refunds for no more than five eligible employees. A business may claim the refund for any month during which an eligible employee is employed by the business, unless an eligible employee has served as the basis for the refund for more than 24 cumulative months.

A business may receive refunds for corporate income tax, insurance premium tax, sales and use tax, documentary stamp tax, and ad valorem property tax, paid by the business in the fiscal year immediately preceding the date the business submits an application for refund.

Beginning August 1, 2007, businesses may apply for the refund to the Department monthly or may make aggregate refund claims for more than one month, to be paid from the Legislative appropriation during that fiscal year.

**SECTION 2: DESCRIPTION OF DATA AND SOURCES**

**SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)**

**SECTION 4: PROPOSED FISCAL IMPACT**

State Impact—All Funds	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
High			
Middle	\$0		
Low			

State Impact—All Funds	FY 2009-10 Cash	FY 2010-11 Cash
High		
Middle		
Low		

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**SECTION 5: CONSENSUS ESTIMATE (ADOPTED 1 / 19 / 07 )** Because the bill requires an appropriation to issue refunds, the conference adopted an estimate of no impact for the bill.

	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
General Revenue			
Total State Impact			
Total Local Impact			
Total Impact	0	0	0

	FY 2009-10 Cash	FY 2010-11 Cash
General Revenue		
Total State Impact		
Total Local Impact		
Total Impact	0	0