

Amendments to Senate Bill No. 304  
1st Reading Copy

Requested by Senator Roy Brown

For the Senate Taxation Committee

Prepared by Jeff Martin  
March 6, 2009 (7:27am)

SENATE TAXATION

EXHIBIT NO. 1

DATE 3.12.09

BILL NO. SB 304

1. Title, page 1, line 8.

**Following:** "EMPLOYER;"

**Insert:** " LIMITING THE TOTAL AMOUNT OF CREDITS THROUGH AN  
APPLICATION PROCESS TO THE DEPARTMENT OF REVENUE;"

2. Page 3.

**Following:** line 12

**Insert:** " (10) (a) The aggregate amount of tax credits allowed  
under this section may not exceed \$2 million in a tax year.

(b) The department shall authorize the tax credits on a  
first-come, first-served basis.

(c) For the purposes of subsections (10)(a) and (10)(b),  
when requesting a tax credit, a taxpayer shall notify the  
department of the total number of qualified employees the  
taxpayer intends to hire in the tax year for which the credit may  
be claimed, the amount of loan repayment for each qualified  
employee, and the number of years, not to exceed 3 years for each  
employee, in which the loan repayments will be made. The  
department shall preapprove or deny the requested amount within  
30 days after receiving the request from the taxpayer.

(d) Preapproval of the credit by the department must be  
based solely on the availability of tax credits subject to the  
aggregate total limit established in subsection (10)(a). For the  
purpose of determining the amount of credit available in each tax  
year, the department shall allocate the amount of the credit  
approved for each taxpayer to the appropriate tax year.

(e) If the taxpayer applies for the credit for a period of  
less than 3 years, the taxpayer may apply for the credit in a  
subsequent tax year or years not to exceed a total of 3 years for  
each employee.

(f) If the department determines that a taxpayer will not  
utilize the amount of the credit granted it may assign the amount  
of the available credit to another taxpayer."

**Renumber:** subsequent subsection

3. Page 3.

**Following:** line 19

**Insert:** "(c) The department shall adopt rules to ensure that a  
valid employer-employee relationship exists between the  
taxpayer and the qualified employee. The rules must include

procedures to determine whether the employer-employee relationship exists for the primary purpose of taking advantage of the tax credit provided under [sections 1 through 3].

(d) The department shall adopt rules for the allocation of loan principal and interest amounts paid by the employer and the qualified employee."

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