

HB 1319 -- TAX CREDIT FOR EMPLOYER OF HIGH SCHOOL STUDENTS

SPONSOR: Brown (50)

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Job Creation and Economic Development by a vote of 11 to 0.

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 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.

PROPONENTS: Supporters say that the bill will provide an incentive for employers to hire high school students for summer jobs. This will give the students much needed job experience while allowing them to earn money to pay for school- and transportation-related expenses.

Testifying for the bill were Representative Brown (50); and Associated General Contractors of St. Louis.

OPPONENTS: There was no opposition voiced to the committee.