

SS SCS HCS HB 45 -- SMALL BUSINESS TAX RELIEF

This bill changes the laws regarding the Big Government Get Off My Back Act which provides tax relief to certain small businesses. In its main provisions, the bill:

(1) Specifies that any federal mandate compelling the state to enact, enforce, or administer a federal regulatory program must be subject to authorization through appropriation or statutory enactment;

(2) Extends from four years to five years the restriction on an increase of any state-imposed user fee and the requirement that any state agency proposing a rule must certify that it does not have an adverse impact on small businesses; that it is necessary to protect the life, health, or safety of the public; or that any small business is exempt from the rule;

(3) Revises the definition of "small business" to include businesses with fewer than 50 employees instead of the current 25; and

(4) Authorizes, for tax years 2011 through 2014, an income tax deduction for a small business for each full-time job created with an annual salary of at least the county average wage as determined by the Department of Economic Development. To be a full-time job, the employee must work at least an average of 35 hours per week for a 52-week period. The business will be allowed a deduction of \$10,000 for each new full-time job created or \$20,000 for each full-time job if the business offers health insurance and pays at least 50% of the premiums.

The provisions of the bill regarding the income tax deduction will expire December 31 three years from the effective date.