

STATEMENT OF PURPOSE

RS21813

The Hire One More Employee or HOME Act repeals Section 63-3029F, Idaho Code, relating to an income tax credit for new employees, and adds a new Section 63-3029F, to provide a special income tax credit for new employees, including veterans. Eliminates the employer-provided health insurance requirement; eliminates the unemployment insurance employer rating; reduces the unemployment rate benchmark between \$12/hour and \$15/hour minimum qualifying salaries from 10 percent to 8 percent; sets a single tax credit of 4 percent of the new employee's gross salary; and adds a \$1,000 bonus credit for each new employee who also is a veteran.

FISCAL NOTE

The Idaho Department of Labor and the Division of Financial Management estimate this legislation would reduce the General Fund by \$10.4 million in FY 2014, \$10.8 million in FY 2015, \$11.2 million in FY 2016, \$11.7 million in FY 2017, and \$12.3 million in FY 2018. These figures assume all existing employers claim the credit for each qualifying job. These estimates do not include the impact from additional jobs that were created by the credit nor the increase in individual income taxes that would accompany these jobs. Including these jobs would lower the average cost of the credit and create a revenue stream that could remain in place after the credit expires. The actual fiscal impact of this legislation will depend on the number of jobs that are created due to this credit. This analysis does not include any multiplier effects.

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