

## STAFF MEASURE SUMMARY

## House Committee On Human Services and Housing

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

---

**Action Date:** 04/15/15

**Action:** Do Pass With Amendments, Be Printed Engrossed And Be Referred To Revenue By Prior Reference.

**Meeting Dates:** 03/20, 04/13, 04/15

**Vote:**

Yeas: 9 - Buehler, Evans, Gallegos, Hayden, Keny-Guyer, Parrish, Piluso, Stark, Taylor

**Prepared By:** Robyn Johnson, Committee Administrator

---

**WHAT THE MEASURE DOES:**

Creates tax credit for businesses that hire “at-risk or disadvantaged youth” or youth with intellectual and developmental disability, as defined in both instances. Allows certified business a 25 percent credit for wages paid to qualifying youth. Applies to tax year beginning January 1, 2015 – January 1, 2021. Takes effect 91<sup>st</sup> day following *sine die*.

**ISSUES DISCUSSED:**

- Youth employment post-incarceration
- Unemployment and underemployment for youth of color
- Job training and supported employment for at-risk youth
- Long term earning potential for at-risk youth

**EFFECT OF COMMITTEE AMENDMENT:**

Defines “at-risk” youth and adds parameters for tax credit eligibility. Adds youth with intellectual and developmental disability to eligible employees. Defines “youth with intellectual and developmental disability.” Removes rulemaking for certification process.

**BACKGROUND:**

Work experience imparts many important developmental and skill-building opportunities for youth, such as accountability, responsibility and time management. It also allows youth to earn money and to build confidence as they interact independently with their community and develop an important part of their social identity. For youth who are post-incarceration, identified as “at-risk” or as having intellectual or developmental disability there are significant barriers to gaining access to after school or summer jobs that can assist them in building these important skills. Work experience also helps youth build a network that can help influence their long-term employment and earning potential, particularly for youth-of- color.

House Bill 2239-A establishes a new tax credit for employers who hire youth age 14 through age 19 with intellectual or developmental disability or who are considered “at-risk or disadvantaged.” The bill allows a business to claim a 25 percent tax credit for wages paid to specified youth who are employed or at least 200 hours a year.