PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2278

Page 1, line 3, replace "employment of" with "the payment of a retention bonus to"

Page 1, line 9, after "for" insert "the payment of a retention bonus during the taxable year to"

Page 1, line 10, replace "in the amount of" with ". The credit is equal to fifty percent of the retention bonus paid to each recent graduate during the taxable year and may not exceed"

Page 1, after line 16, insert:

> "2. "Retention bonus" means an amount paid by the taxpayer for the purpose of keeping and retaining the employee in the targeted job for a minimum of twelve months from the date of payment, and is not to be considered part of the salary to be paid to the employee under subsection 3."

Page 1, line 17, replace "2" with "3"

Page 1, after line 24, insert:

> "4. A partnership, limited partnership, subchapter S corporation, limited liability company or any other passthrough entity that employs a recent graduate in a targeted job must be considered to be the taxpayer for purposes of the credit limitations in this section. The amount of the credit allowed with respect to the entity's payment of a retention bonus must be determined at the passthrough entity level. The amount of the total credit determined at the passthrough entity level must be allowed to the partners or shareholders in proportion to their respective interests in the passthrough entity.
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> 5. If a recent graduate is not employed for the full twelve months following the date the retention bonus was paid, the credit is disallowed for the taxable year in which the credit was claimed by the taxpayer. If this subsection applies, the taxpayer must file an amended return within ninety days after the date the recent graduate's employment ends to report the disallowed credit and pay the resulting tax due. Notwithstanding the time periods for assessment in section 57-38-38, if a taxpayer fails to file the amended return and pay the tax due, the tax commissioner may assess the tax due resulting from the credit disallowance."

Renumber accordingly