

qualified employee was rehired not more than once for the position held by the qualified employee prior to layoff;

(iii) Up to \$750 of the wages paid in the taxable year for which the credit is claimed to each qualified employee who has been rehired after being laid off for more than 6 months by the business entity, if the business entity received a credit under paragraph (1)(ii) or paragraph (2)(ii)2. for the qualified employee in the immediately preceding taxable year; and

(iv) Up to \$500 of the wages paid in the taxable year for which the credit is claimed to each qualified employee who is not hired to replace an individual who was employed by the business entity in that or any [preceding taxable year] OF THE 3 PRECEDING TAXABLE YEARS and who:

1. Is an economically disadvantaged individual, if the business entity received a credit under paragraph (1)(i) or paragraph (2)(i) and a credit under paragraph (2)(ii)1. of this subsection for the qualified employee in the 2 immediately preceding taxable years; or

2. Is not an economically disadvantaged individual, if the qualified employee became a qualified employee during the taxable year to which the credit applies; and

3. Has not been rehired after being laid off for more than 6 months by the business entity.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1987 and shall be applicable to all taxable years beginning after December 31, 1986.

Approved June 2, 1987.

CHAPTER 720

(House Bill 1269)

AN ACT concerning

Income Tax - Interest and Penalty - Underestimating Tax

FOR the purpose of altering the amount of income tax underestimation by certain individuals necessary for certain interest and penalties to apply; clarifying language; and providing for the application of this Act.