

CS FOR SENATE BILL NO. 136(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Amended: 3/5/12

Offered: 2/24/12

**Sponsor(s): SENATORS WIELECHOWSKI, Thomas, Meyer, Kookesh, French, Wagoner, Coghill, Dyson,
Menard, Paskvan, Egan, Davis, McGuire**

REPRESENTATIVE Kawasaki

A BILL

FOR AN ACT ENTITLED

1 **"An Act providing a tax credit for employing a veteran that may be taken against a**
2 **liability for the tax on corporation income; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 43.20 is amended by adding a new section to article 1 to read:

5 **Sec. 43.20.047. Veteran employment tax credit.** (a) A taxpayer that hires a
6 veteran and employs the veteran in the state is entitled to a credit under this section
7 against the tax due under this chapter. The taxpayer is entitled to the credit for each
8 veteran whose employment qualifies under this section.

9 (b) To qualify as a veteran for the purposes of the credit under this section, the
10 veteran must have been unemployed for more than four weeks immediately preceding
11 the date employment begins and must have been discharged or released from military
12 service

13 (1) not more than 10 years before the date employment begins in the
14 case of a veteran who is a disabled veteran; or

(2) not more than two years before the date employment begins in the case of a veteran who is not a disabled veteran.

(c) The amount of credit that may be applied by a taxpayer for each qualifying veteran under this section is,

(1) for a veteran employed for 1,560 hours or more during the 12 consecutive months immediately following the date the veteran is first employed,

(A) \$3,000 for a disabled veteran; and

(B) \$2,000 for a veteran who is not disabled;

(2) for a veteran employed for 600 hours or more in a seasonal position during the five consecutive months immediately following the date the veteran is first employed by an employer in a seasonal position, \$1,000; an employer that hires a veteran for a seasonal position may take the credit under this paragraph only for the first season in which the employer employs the veteran.

(d) The tax credit under this section may be applied against the tax due under this chapter for the first tax year ending on or after the end of the employment period described in (c) of this section. The credit may not be used to reduce a person's tax liability under this chapter below zero for any tax year, and any credit or portion of a credit not used under this section may be applied in a later tax year.

(e) A taxpayer shall keep a record of the name of the veteran employee whose employment is the basis for a credit under this section, documentation supporting the employee's qualification as a veteran or disabled veteran, and the veteran employee's hours employed and period of employment. The department may adopt a regulation that lists the documentation that must be maintained to support a claim that an employee qualifies as a veteran or disabled veteran for purposes of this section.

(f) In this section,

(1) "disabled veteran" has the meaning given in AS 39.25.159;

(2) "seasonal position" means employment that is not intended to continue through an entire calendar year but recurs annually;

(3) "veteran" means an individual who served in and was honorably discharged from the

(A) armed forces of the United States, including a reserve unit

1 of the armed forces of the United States; or
2 (B) Alaska Territorial Guard, the Alaska Army National Guard,
3 the Alaska Air National Guard, or the Alaska Naval Militia.
4 * **Sec. 2.** This Act takes effect July 1, 2012.