

SB

136

<TARGET><BILL>SB 136</BILL><SUBJECT>SB
136</SUBJECT><COMM>HFIN27</COMM></TARGET>

Note:

A Dept of Administration
fiscal note was discussed
that was not received
and not forwarded on
when the bill reported
out of committee.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

cost # codes

Bill Version

CSSB 136 (FIN)

Fiscal Note Number

Publish Date

Identifier (file name) SB136CS(FIN)-DOR-TAX-04-14-12
 Title Income Tax Credit for Employing a Veteran

Dept. Affected Revenue
 Appropriation Taxation and Treasury
 Allocation Tax Division

Sponsor Senator Wielechowski, et al
 Requester House Finance

OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS

Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	***	0.0	***	***	***	***	***
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Estimated SUPPLEMENTAL (FY12) operating costs _____ (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

Updated to reflect a credit of \$3,000 for employing a disabled veteran and a credit of \$1,000 for employing a veteran in a seasonal position.

Prepared by Johanna Bales, Deputy Director
 Division Tax
 Approved by Alicia Egan, Legislative Liaison
Department of Revenue

Phone (907) 269-6628
 Date/Time 4/14/2012 4:00 p.m.
 Date 4/14/2012

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

BILL NO. CSSB 136 (FIN)

Analysis

Bill Language:

This bill provides a credit against the Alaska corporate income tax of \$2,000 for each veteran who is hired and works 1,560 hours or more during the 12 consecutive months immediately following the date the veteran is first employed in the state. The credit is increased to \$3,000 if the corporation hires a disabled veteran. The bill also allows a credit of \$1,000 for each veteran employed for 600 hours or more in a seasonal position. In all cases, the veteran must have been unemployed for more than four weeks immediately preceding the date of employment. To be eligible for the credit, the disabled veteran must have been honorably discharged from any branch of the armed forces no more than ten years prior to employment; all other veterans must have been honorably discharged no more than two years prior to employment.

Revenues:

It is difficult to determine how many Alaska veterans will be hired as a result of this legislation and, therefore, difficult to determine its affect on corporate income tax revenues. However, for each Alaska veteran hired in the state that meets the requirements of the bill, corporate income tax will decrease by no less than \$1,000 and no more than \$3,000.

Expenditures:

The Department of Revenue can administer the provisions of this bill with existing resources.

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 136, providing a tax credit for employing a**
3 **veteran that may be taken against a liability for the tax on corporation income.**

4 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
6 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
7 changes to the title of a bill, are suspended in consideration of Senate Bill No. 136, providing
8 a tax credit for employing a veteran that may be taken against a liability for the tax on
9 corporation income.

HOUSE CS FOR CS FOR SENATE BILL NO. 136(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

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

REPRESENTATIVES Kawasaki, Tuck, Thompson, Lynn, Saddler, Petersen, Peggy Wilson, Muñoz, Thomas, Foster, Miller, Feige

A BILL

FOR AN ACT ENTITLED

1 "An Act authorizing the Department of Administration to note a person's status as a
2 retired veteran or a veteran discharged under honorable conditions on the person's
3 driver's license or identification card, to provide certain information to the Department
4 of Military and Veterans' Affairs, and to charge a fee for replacing a valid driver's
5 license or identification card with a new license or card that includes the veteran
6 designation; providing a tax credit for employing a veteran that may be taken against a
7 liability for the tax on corporation income; and providing for an effective date."

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

9 * **Section 1.** AS 18.65.310 is amended by adding a new subsection to read:

10 (l) At the request of the person, the department shall provide a veteran
11 designation and United States flag replica on an identification card identifying the
12 person as a retired veteran or a veteran of the armed forces of the United States
13 discharged under honorable conditions. The department may not charge a fee solely

1 for the designation. To receive a veteran designation, the person shall provide proof of
 2 veteran status that shows the person is retired or discharged under honorable
 3 conditions. With the approval of the person, the department shall make available to the
 4 Department of Military and Veterans' Affairs the name and address of a person
 5 receiving a veteran designation under this subsection. Notwithstanding (a) of this
 6 section, the department may charge a fee of \$5 for replacement of a valid
 7 identification card with a new identification card with a veteran designation.

8 * **Sec. 2.** AS 28.15.111 is amended by adding a new subsection to read:

9 (c) At the request of an applicant, the department shall provide a veteran
 10 designation and United States flag replica on a license identifying the driver as a
 11 retired veteran or a veteran of the armed forces of the United States discharged under
 12 honorable conditions. The department may not charge a fee solely for the designation.
 13 To receive a veteran designation, the driver shall make available proof of veteran
 14 status that shows that the person is retired or discharged under honorable conditions.
 15 With the approval of the applicant, the department shall make available to the
 16 Department of Military and Veterans' Affairs the name and address of a driver
 17 receiving a veteran designation under this subsection. The department may charge a
 18 fee of \$5 for replacement of a valid driver's license with a new license with a veteran
 19 designation. A replacement license with a veteran designation issued for \$5 under this
 20 subsection shall retain the expiration date of the license it replaces.

21 * **Sec. 3.** AS 43.20 is amended by adding a new section to article 1 to read:

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

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

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

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

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

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

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

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

10 (2) for a veteran employed in the state for 500 hours or more in a
11 seasonal position during the three consecutive months immediately following the date
12 the veteran is first employed by an employer in a seasonal position, \$1,000; an
13 employer that hires a veteran for a seasonal position may take the credit under this
14 paragraph only for the first season in which the employer employs the veteran.

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

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

26 (f) In this section,

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

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

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

1 (A) armed forces of the United States, including a reserve unit
2 of the armed forces of the United States; or

3 (B) Alaska Territorial Guard, the Alaska Army National Guard,
4 the Alaska Air National Guard, or the Alaska Naval Militia.

5 * **Sec. 4.** Sections 1 and 2 of this Act take effect March 1, 2013.

6 * **Sec. 5.** Section 3 of this Act takes effect July 1, 2012.

*Adopted
4/15/12*

27-LS0983\U
Bullock
4/14/12

**HOUSE CS FOR CS FOR SENATE BILL NO. 136(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - SECOND SESSION**

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

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

**REPRESENTATIVES Kawasaki, Tuck, Thompson, Lynn, Saddler, Petersen, Peggy Wilson, Muñoz, Thomas,
Foster, Miller, Feige**

A BILL

FOR AN ACT ENTITLED

1 **"An Act authorizing the Department of Administration to note a person's status as a**
2 **retired veteran or a veteran discharged under honorable conditions on the person's**
3 **driver's license or identification card, to provide certain information to the Department**
4 **of Military and Veterans' Affairs, and to charge a fee for replacing a valid driver's**
5 **license or identification card with a new license or card that includes the veteran**
6 **designation; providing a tax credit for employing a veteran that may be taken against a**
7 **liability for the tax on corporation income; and providing for an effective date."**

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

9 *** Section 1.** AS 18.65.310 is amended by adding a new subsection to read:

10 **(D)** At the request of the person, the department shall provide a veteran
11 designation and United States flag replica on an identification card identifying the
12 person as a retired veteran or a veteran of the armed forces of the United States
13 discharged under honorable conditions. The department may not charge a fee solely

1 for the designation. To receive a veteran designation, the person shall provide proof of
2 veteran status that shows the person is retired or discharged under honorable
3 conditions. With the approval of the person, the department shall make available to the
4 Department of Military and Veterans' Affairs the name and address of a person
5 receiving a veteran designation under this subsection. Notwithstanding (a) of this
6 section, the department may charge a fee of \$5 for replacement of a valid
7 identification card with a new identification card with a veteran designation.

8 * **Sec. 2.** AS 28.15.111 is amended by adding a new subsection to read:

9 (c) At the request of an applicant, the department shall provide a veteran
10 designation and United States flag replica on a license identifying the driver as a
11 retired veteran or a veteran of the armed forces of the United States discharged under
12 honorable conditions. The department may not charge a fee solely for the designation.
13 To receive a veteran designation, the driver shall make available proof of veteran
14 status that shows that the person is retired or discharged under honorable conditions.
15 With the approval of the applicant, the department shall make available to the
16 Department of Military and Veterans' Affairs the name and address of a driver
17 receiving a veteran designation under this subsection. The department may charge a
18 fee of \$5 for replacement of a valid driver's license with a new license with a veteran
19 designation. A replacement license with a veteran designation issued for \$5 under this
20 subsection shall retain the expiration date of the license it replaces.

21 * **Sec. 3.** AS 43.20 is amended by adding a new section to article 1 to read:

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

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

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

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

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

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

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

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

10 (2) for a veteran employed in the state for 500 hours or more in a
11 seasonal position during the three consecutive months immediately following the date
12 the veteran is first employed by an employer in a seasonal position, \$1,000; an
13 employer that hires a veteran for a seasonal position may take the credit under this
14 paragraph only for the first season in which the employer employs the veteran.

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

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

26 (f) In this section,

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

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

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

1 (A) armed forces of the United States, including a reserve unit
2 of the armed forces of the United States; or

3 (B) Alaska Territorial Guard, the Alaska Army National Guard,
4 the Alaska Air National Guard, or the Alaska Naval Militia.

5 * **Sec. 4.** Sections 1 and 2 of this Act take effect March 1, 2013.

6 * **Sec. 5.** Section 3 of this Act takes effect July 1, 2012.

ALASKA STATE LEGISLATURE

Session

State Capitol, Rm. 101
Juneau, AK 99801
(907) 465-2435
Fax: (907) 465-6615

Interim

716 W. 4th Ave, Ste. 540
Anchorage, AK 99501
(907) 269-0120
Fax: (907) 269-0122



Chair
State Affairs Committee

Co-chair
Joint Armed Services Committee

Vice Chair
Resources Committee
Judiciary Committee

Member
Administrative Regulation Review

Senator_Bill_Wielechowski@legis.state.ak.us

SENATOR BILL WIELECHOWSKI

Senate Bill 136: Income Tax Credit for Employing a Veteran Sponsor Statement

Our veterans are some of the most highly trained, highly educated, and highly skilled workers that we have. When businesses hire veterans, they are getting proven leaders with solid work ethics who can solve problems efficiently while staying focused and contributing to an improved bottom line.

Despite many employers acknowledging the advantages of hiring someone who has served in the Armed Forces, veterans continue to see higher than average unemployment rates nationwide. In June 2011, according to the U.S. Bureau of Labor Statistics, one million U.S. veterans were unemployed and the jobless rate for post-9/11 veterans was 13.3%. The picture was even worse for young, male veterans between the ages of 18 and 24, who saw an unemployment rate of 21.9%.

Senate Bill 136 will assist Alaska's veterans get civilian jobs when they leave the service and provide direct benefits to Alaska businesses. This legislation provides a \$2,000 credit for each veteran hired who works at least 1,560 hours within a 12-month period, or approximately 30 hours a week. The bill also includes a \$3,000 tax credit for hiring a disabled veteran, and \$1,000 tax credit for the seasonal hiring of a veteran if that person is employed for 600 hours or more for five consecutive months.

In order to qualify for a tax credit, a business must hire a veteran who has been unemployed for at least four weeks and been released from the military not more than two years before the date of employment. For a disabled veteran, the tax credit is available for not more than 10 years after release from military service.

This is a win-win situation. Struggling Alaskan businesses can get the tax help they need, while Alaska's veterans have an increased chance of finding employment.

FISCAL NOTE

STATE OF ALASKA
2012 LEGISLATIVE SESSION

Bill Version CSSB 136(FIN)
 Fiscal Note Number 2
 (S) Publish Date 3/5/12

Identifier (file name) CSSB 136(FIN) Dept. Affected Revenue
 Title Income Tax Credit for Employing a Veteran Appropriation Taxation and Treasury
 Allocation Tax Division
 Sponsor Senator Wielechowski
 Requester Senate Rules Committee OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE		(Thousands of Dollars)					
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1037	GF/MH (UGF)						
1178	temp code (UGF)						
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	***	***	***	***	***	***	***
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Estimated SUPPLEMENTAL (FY12) operating costs 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY13) costs 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Why this fiscal note differs from previous version (if initial version, please note as such)

The previous fiscal note was indeterminate. The changes made in the Senate Finance Committee Substitute will have a de minimis impact and therefore, this fiscal note remains indeterminate.

Prepared by Darwin Peterson, Committee Staff
 Division Senate Finance Committee
 Approved by Senator Hoffman, Co-Chair
Senator Stedman, Co-Chair

Phone 907-465-3873
 Date/Time 3/5/12 9:26 AM
 Date 3/5/2012

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

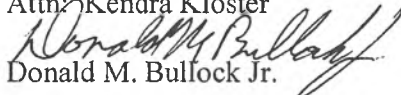
State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 7, 2012

SUBJECT: Sectional summary for CSSB 136(FIN) am, relating to a tax credit for employing a veteran (Work Order No. 27-LS0983\R.A)

TO: Senator Bill Wielechowski
Attn: Kendra Kloster

FROM: 
Donald M. Bullock Jr.
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Adds a new section to AS 43.20 -- AS 43.20.047 -- that provides a tax credit to a person subject to tax under AS 43.20 that hires and employs a veteran in the state. Different credit amounts are offered for hiring a disabled veteran and a veteran who is not disabled. Describes veterans that may be hired to qualify for the credit and the period during which a veteran must be employed. Requires certain records to be kept by an employer claiming the credit and states when the taxpayer may apply the credit.

Section 2. Makes the bill take effect July 1, 2012.

DMB:ljw
12-191.ljw

ALASKA STATE LEGISLATURE

Session

State Capitol, Rm. 101
Juneau, AK 99801
(907) 465-2435
Fax: (907) 465-6615

Interim

716 W. 4th Ave, Ste. 540
Anchorage, AK 99501
(907) 269-0120
Fax: (907) 269-0122

Senator_Bill_Wielechowski@legis.state.ak.us



Chair
State Affairs Committee

Co-chair
Joint Armed Services Committee

Vice Chair
Resources Committee
Judiciary Committee

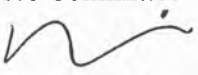
Member
Administrative Regulation Review

SENATOR BILL WIELECHOWSKI

MEMORANDUM

DATE: March 6, 2012

TO: Representative Kurt Olson
Chair, House Labor & Commerce Committee

FROM: Senator Bill Wielechowski 

SUBJECT: Changes to CS SB136 (FIN)am: Income Tax Credit for Employing a Veteran

The following changes were made in the Committee Substitute for Senate Bill 136:

- For the tax credit to apply the veteran must be unemployed for at least four weeks and been released from military service not more than two years before the date of employment. For a disabled veteran the tax credit is available for not more than ten years after the release from military service.
- Added a \$3,000 tax credit for hiring a disabled veteran
- Added a \$1,000 tax credit for seasonal employment. Veteran must be employed at least 600 hours or more for five consecutive months.
- Definition of veteran was amended to include "an individual who served in and was honorably discharged"

LEGISLATIVE RESEARCH REPORT

DECEMBER 28, 2011



REPORT NUMBER 12.119

STATE AND FEDERAL TAX CREDITS FOR BUSINESSES THAT HIRE VETERANS

PREPARED FOR SENATOR BILL WIELECHOWSKI

BY TIM SPENGLER, LEGISLATIVE ANALYST

You wished to know whether any states provide tax credits for employers who hire veterans or for veterans who are starting a business. Additionally, you wanted to know if federal tax benefits exist for businesses hiring veterans.

Briefly, Vermont offers both benefits when veterans have recent military history, while a few other states provide benefits for businesses hiring veterans under limited circumstances.¹ Federal tax benefits are available to employers who hire veterans through the *Returning Heroes* and *Wounded Warrior* tax credit programs.

Alaska

As you may know, Alaska does not provide tax credits to employers for hiring veterans or for veterans starting their own businesses. The state does provide, however, a five percent bid preference (that may not exceed \$5,000) if a bidder for a state contract is an Alaska veteran and is a "qualifying entity." According to AS 36.30.175—Alaska Veterans' Preference—a qualifying entity means the following:

1. Sole proprietorship owned by an Alaska veteran;
2. Partnership under AS 32.06 or AS 32.11 if a majority of the partners are Alaska veterans;
3. Limited liability company organized under AS 10.50 if a majority of the members are Alaska veterans; or
4. Corporation that is wholly owned by individuals and a majority of the individuals are Alaska veterans.²

¹ None of the states with credits were able to provide us with data regarding the effectiveness of the benefit.

² For more information on how Alaska's veterans' preference is applied please contact Vern Jones, chief procurement officer, Department of Administration, (907) 465-5684.

Other States

Vermont

On May 25th, 2011, House Bill 275 was signed into law in Vermont and codified at 32 V.S.A. 5930nn. The legislation, entitled the Veterans' Tax Credit Act, provides employers with a \$2,000 tax incentive for hiring veterans who have returned from deployment in Afghanistan or Iraq within the last two years. In order to qualify for the tax credit, businesses must employ veterans before the end of 2011. The act also provides veterans who start new companies with a \$2,000 benefit. To qualify for this credit, the veteran must hold at least 50 percent ownership in the company.

Specifically, to be eligible for the tax credits a Vermont veteran must meet the following prerequisites:

- have left federal, active duty within the past 24 months;
- have been a resident of Vermont at the time of entry into military service or served in a guard or reserve unit located in Vermont; and
- be eligible to receive unemployment from the Vermont Department of Labor, or would be eligible except unemployment has been exhausted.

Clayton Clark, director of Vermont's Office of Veterans Affairs notes that earlier this year he queried fellow state directors asking if their states offered similar veteran tax benefits and none did. This corresponds to what we found in our review.³

We include, as Attachment A, various documents pertaining to the tax credit in Vermont including the state statute, a question and answer document on the credit, and the application Vermont veterans use to certify their eligibility for the tax credit.

California

The Enterprise Zone Program (EZP) in California entitles employers that hire and employ qualified applicants—including certain veterans—to tax credits. The California EZP was established in 1984 to stimulate business investment in depressed areas of the state and to create job opportunities. If a company is located in one of California's 43 EZPs, the company may be eligible for up to \$31,000 in California tax credits (over five years) if the veteran hired meets any one of the following three tests:

- left military service within the last 48 months;
- is a service-related disabled veteran; or
- is a Vietnam era veteran.⁴

³ Clayton Clark can be reached at (802) 828-3379. For this report, we contacted numerous state veteran's offices both telephonically and by email, searched many state and national veteran websites, and conducted a West Law search.

⁴ More information on California's Enterprise Zone Program can be accessed at www.caez.org/.

Illinois

Illinois employers can earn an income tax credit for hiring veterans of Operation Desert Storm, Operation Enduring Freedom, or Operation Iraqi Freedom. The credit is five percent of the total wages paid to every qualified veteran hired after January 1, 2008. The credit may not exceed \$1,200 annually. Veterans must work at least 185 days during the tax year for the employer to qualify for the credit.⁵

West Virginia

Entities hiring economically disadvantaged Vietnam or Korean era veterans, unemployed West Virginia National Guard members, or any disabled veteran, are entitled to a state tax credit. The credit available to the employer is 25-30 percent of the first \$5,000 in wages or compensation paid to the veteran.⁶

Federal Tax Benefits

On November 21, 2011, President Obama signed legislation that provides tax credits to employers who hire military veterans. The *VOW to Hire Heroes Act* contains two components—the *Returning Heroes Tax Credit* and the *Wounded Warriors Tax Credit*—that provide credits to businesses that hire veterans. The Act passed both bodies of Congress unanimously and, while the legislation is not expected to lead to the creation a significant number of new jobs, it is hoped that it will help many veterans secure employment.

The **Returning Heroes Tax Credit** is intended to provide an incentive for businesses to hire unemployed veterans in the following ways:

- *Short-term unemployed:* A new credit of 40 percent of the first \$6,000 of wages (up to \$2,400) for employers who hire veterans who have been unemployed at least 4 weeks.
- *Long-term unemployed:* A new credit of 40 percent of the first \$14,000 of wages (up to \$5,600) for employers who hire veterans who have been unemployed longer than 6 months.

The **Wounded Warrior Tax Credit** will double the existing tax credit for businesses that hire long-term unemployed veterans with service-connected disabilities as follows:

- Maintains the existing Work Opportunity Tax Credit for employers that hire veterans with service-connected disabilities (currently the maximum is \$4,800).
- Introduces a new credit of 40 percent of the first \$24,000 of wages (up to \$9,600) for firms that hire veterans with service-connected disabilities who have been unemployed longer than 6 months.⁷

We hope you find this information to be useful. Please let us know if you have questions or need additional information.

⁵ To file for Veteran's Tax Credit, Illinois employers complete Schedule 1299-D, "Income Tax Credits."

⁶ For disabled veterans, the credit is the percentage of disability multiplied by the first \$5,000 in wages. We include, as Attachment B, West Virginia Annotated Code 21A-2C-4, which pertains to the tax credit and tax schedule J—the "West Virginia Military Incentive Credit."

⁷ Detailed information on these tax credit programs is available at www.whitehouse.gov/the-press-office/2011/11/21/fact-sheet-returning-heroes-and-wounded-warrior-tax-credits.

Attachment A

Vermont Statute 32 V.S.A. 5930nn and other documents regarding Vermont's Veterans' Tax
Credit Act

West's Vermont Statutes Annotated Currentness

Title Thirty-Two. Taxation and Finance

Subtitle 2. Taxation

Part 3. Income and Franchise Taxes

Chapter 151. Income Taxes

Subchapter 11N. Recently Deployed Veteran Tax Credit

→ § 5930nn. Recently deployed veteran tax credit

(a) A qualified employer shall be eligible for a nonrefundable credit against the income tax liability imposed under this chapter in an amount equal to \$2,000.00 for each new full-time employee hired after the passage of this act but on or before December 31, 2012 for a position, the majority of the duties of which are at a business location within Vermont.

(b) A recently deployed veteran shall be eligible for a nonrefundable credit against the income tax liability imposed under this chapter in an amount up to a total of \$2,000.00 for expenses associated with one start-up business in which the recently deployed veteran holds at least a 50-percent ownership interest. A credit under this subsection may only be taken for a business started after the passage of this act but on or before December 31, 2012, that is located within Vermont, and that shows a net profit of at least \$3,000.00 for the year in which the credit is taken.

(c) A credit earned under this section shall be claimed in the tax year following the new full-time employee's date of hire, or in the tax year following the date that the start-up business was created, and may be carried forward one year.

(d) In this section:

(1) "Expense associated with a start-up business" means the following expenses:

- (A) expenses associated with the development of a business plan;
- (B) professional services associated with the formation of the business (e.g., attorney and accounting services);
- (C) an analysis or survey of potential markets, products, labor supply, or transportation facilities;
- (D) advertisements for the opening of the business;
- (E) salaries and wages for employees who are being trained and their instructors;
- (F) travel and other necessary costs for securing prospective distributors, suppliers, or customers;
- (G) salaries and fees for executives and consultants, or for similar professional services.

(2) "New full-time employee" means a recently deployed veteran:

- (A) who works at least 35 hours per week for not less than 45 of the 52 weeks following the individual's date of hire;

(B) whose compensation equals or exceeds the prevailing compensation level, including wages and benefits, for the particular employment sector and region of the state as determined by the commissioner of labor;

(C) who has certification by the department of labor at the time of hire of:

(i) collecting or being eligible to collect unemployment benefits; or

(ii) having exhausted his or her unemployment benefits;

(D) who has not been employed by the qualified employer for 90 days prior to the date of hire.

(3) "Qualified employer" means a person who:

(A) is in good standing with respect to applicable registration, fee, and filing requirements with the secretary of state, the department of taxes, and the department of labor; and

(B) has in place a valid workers' compensation policy.

(4) "Recently deployed veteran" means an individual who:

(A)(i) was a resident of Vermont at the time of entry into military service; or

(ii) was mobilized to active, federal military service while a member of the Vermont National Guard or other reserve unit located in Vermont, regardless of the resident's home of record.

(B) received an honorable or general discharge from active, federal military service within the two-year period preceding the date of hire.

(C) for the purposes of the credit in subsection (b) of this section, a person who at the time of starting up a new business has been certified by the department of labor as:

(i) collecting or being eligible to collect unemployment benefits; or

(ii) having exhausted his or her unemployment benefits.

(e) The department of labor, in coordination with the department of taxes, the agency of commerce and community development, and the office of veterans' affairs, shall:

(1) promote awareness of the recently deployed veteran tax credit authorized in this section to employers and eligible veterans;

(2) establish procedures for prequalifying an individual as a recently deployed veteran and for providing notice to the department of labor when a new full-time employee is hired;

(3) establish procedures for certifying a qualified employer's compliance, or in the case of a credit under subsection (b) of this section, a recently deployed veteran's compliance, with the eligibility and expense verification requirements to claim the credit authorized under this section;

(4) adopt measurable goals, outcomes, and an audit strategy to assess the utilization and performance of the credit authorized in this section;

(5) on or before January 15, 2012, submit a written report on its assessment of the credit to the house committees on commerce and economic development and on ways and means, and to the senate committees on finance and on economic development, housing and general affairs;

(6) engage in efforts to promote the hiring of recently deployed veterans through the hiring practices of the state of Vermont.

(f) An employer shall not claim the credit in subsection (a) of this section for an employee who has claimed the credit under subsection (b) of this section, and a recently deployed veteran shall not claim the credit in subsection (b) if an employer has claimed his or her hire for the credit in subsection (a).

CREDIT(S)

2011, No. 44, § 1, eff. May 24, 2011.

HISTORICAL AND STATUTORY NOTES

2011, No. 44, § 2, provides:

“Sec. 2. EFFECTIVE DATE

“This act shall take effect on passage [May 24, 2011].”

32 V.S.A. § 5930nn, VT ST T. 32 § 5930nn

Current with all laws through No. 46 of the 2011-2012 session (2011) of the Vermont General Assembly.

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END OF DOCUMENT



Veteran Services Directory

Maintained by the Vermont Office of Veterans Affairs



Tax Credit for Hiring a Veteran with Recent Military Service

The State of Vermont now provides a tax credit to employers who hire a veteran with recent military service. The tax credit also extends to veterans with recent service who start their own business.

To be eligible, a veteran must:

- Have left federal, active duty within the past 24 months
- Have been a resident of Vermont at the time of entry into military service OR served in a guard or reserve unit located in Vermont
- Be eligible to receive Unemployment from the VT Dept of Labor, or would be eligible except Unemployment has been exhausted

Applicants should fill out [Office of Veterans Affairs Form 44](#) and send it, along with a copy of their most recent DD Form 214, to the Office of Veterans Affairs. Additional information is on the form, and there are questions and answers below.

Questions and Answers about the Tax Credit

How much is the Tax Credit?

\$2,000 to employers for hiring a veteran; up to \$2,000 to veterans who start their own business.

How long will the program be available?

The program expires December 31, 2012.

What is the date range for new hires that are covered by this credit?

The new hire must occur between May 24, 2011, and December 31, 2012. For veterans who start a new business, the business must be started by December 31, 2012.

Is this only available to Vermont residents?

This is available to veterans who were a resident of Vermont at the time of entry into the active, federal military service OR was mobilized to active, federal military service with the Vermont National Guard or a reserve unit located in Vermont.

Is the tax credit good for all businesses in Vermont?

No. The employer must be in good standing with the Secretary of State, Vermont Department of Taxes, and Vermont Department of Labor. They must also have a valid worker's compensation policy.

Can the tax credit be used by a business outside of Vermont?

The credit is only available to businesses that file state taxes in Vermont.

Is the tax credit good for all positions?

No. The position must be at least 35 hours a week, the position must be held for 45 of the 52 weeks following the hire, and the compensation must be equal to or exceed the prevailing compensation level for that employment sector and region of the state.

Where can I get information about my military service eligibility?

Call the Office of Veterans Affairs at (toll free in-state) 888-666-9844 or 802-828-3379.

Where can I get information about my unemployment status eligibility?

Call the Vermont Dept of Labor Unemployment Claimant Assistance Line at (877) 214-3332.

For veterans using this credit to start a new business, does the veteran have to be the sole owner?

The veteran must hold at least a 50% ownership interest in the business.

For a new business, does the business have to be profitable?

Yes. The business must show a net profit of at least \$3,000 for the year in which the credit is taken.

What expenses associated with starting a new business can be counted towards the tax credit?

The following expenses associated with a start-up business, up to a maximum of \$2,000, may be deducted:

- (A) expenses associated with the development of a business plan;
- (B) professional services associated with the formation of the business (e.g., attorney and accounting services);
- (C) an analysis or survey of potential markets, products, labor supply, or transportation facilities;
- (D) advertisements for the opening of the business;
- (E) salaries and wages for employees who are being trained and their instructors;
- (F) travel and other necessary costs for securing prospective distributors, suppliers, or customers;
- (G) salaries and fees for executives and consultants, or for similar professional services.

Instructions from Office of Veterans Affairs Form 44

1. Complete the Applicant Information portion of the Certification for Unemployed Veteran with Recent Military Service form. Make sure to complete all blocks within this section and to print legibly.

2. Vermont Office of Veterans Affairs (VOVA) will determine if the applicant meets the military service eligibility criteria. Deliver the form to VOVA via:

Mail or In Person: 118 State Street, Montpelier, VT 05620-4401

Fax: (802) 828-5932

Applicants should include a copy of their most recent DD Form 214 to ensure fast and accurate processing.

VOVA may require additional documentation necessary to verify eligibility. Approved applications will be stamped by VOVA and returned to the applicant. Disapproved applications will be returned to the applicant by VOVA with the reason for disapproval.

3. The Vermont Department of Labor (VDOL) will determine if the applicant meets the Unemployment eligibility criteria. Applicant will deliver applications approved by VOVA to the local VDOL Resource Center listed below. Approved applications will be stamped by VDOL and returned to the applicant. Disapproved applications will be returned to the applicant by VDOL with the reason for disapproval.

Town	Location	Phone
Barre	McFarland State Office Building, 5 Perry Street, Suite 200	476-2600
Bennington	150 Veterans Memorial Drive, Suite 2	442-6376
Brattleboro	State Office Building, 232 Main Street	254-4555
Burlington	63 Pearl Street	863-7676
Middlebury	1590 Route 7 South, Suite 5	388-4921
Morrisville	197 Harrel Street	888-4545
Newport	Emory E Hebard State Office Building, 100 Main Street, Suite 210	334-3351
Randolph	50 Randolph Avenue (by appointment only)	476-2600
Rutland	200 Asa Bloomer Building	786-5837
St. Albans	20 Houghton Street, Room 101	524-6585
St. Johnsbury	1197 Main Street, Suite 1	748-3177
Springfield	56 Main Street, Suite 101	885-2167
White River Jct.	220 Holiday Drive, Suite 28, Gilman Office Center	295-8805

4A. New Hire: After receiving approval from both VOVA and VDOL, provide the form to your new employer. The employer will then file this document with the Vermont Department of Taxes (VTAX), which will also require documentation of employer and position criteria.

4B: New Business: After receiving approval from both VOVA and VDOL, the applicant will provide the form to VTAX when filing your income tax return. Additional documentation will be required to verify eligibility criteria and allowable expenses.

Period of Eligibility

This tax credit is for new hires or new businesses started between May 24, 2011 and December 31, 2012. A credit earned under this section may be claimed in the tax year following the new full-time employee's date of hire, or in the tax year following the date that the start-up business was created, and may be carried forward one year. Appropriate tax forms and instructions to claim this credit may be downloaded from the VTAX website (www.state.vt.us/tax/index.shtml).

Military Service Eligibility Criteria

The date of hire or date of new business start up must be within 24 months of an Honorable or General Discharge from active, federal military service. The veteran must either have been a resident of Vermont at the time of entry into the military or was mobilized to active, federal military service while a member of the Vermont National Guard or other reserve unit located in Vermont.

Unemployment Eligibility Criteria

The applicant must be collecting unemployment benefits, be eligible to collect unemployment benefits, or have exhausted unemployment benefits. For new hires, the applicant must not have been employed by the employer within the past 90 days. Questions regarding Unemployment eligibility criteria can be directed to the VDOL Unemployment Claimant Assistance Line at (877) 214-3332.

Employer Criteria

To be eligible to receive the tax credit, an employer must be in good standing with respect to applicable registration, fee, and filing requirements with the Secretary of State, VTAX, and VDOL. In addition, the employer must have in place a valid workers' compensation policy.

Position Criteria

To be eligible to receive the tax credit, an employer must hire the applicant to a position that provides at least 35 hours per week of work for not less than 45 of the 52 weeks following the date of hire. In addition, the position must provide compensation that equals or exceeds the prevailing compensation level, including wages and benefits, for the particular employment sector and region of the state as determined by the VDOL Commissioner. Employers can determine if a position they have is qualified by visiting the VDOL website (www.labor.vermont.gov/veterans) or calling (802) 828-4153.

New Business Eligibility Criteria

To be eligible to receive the tax credit for a new start up business, the applicant must hold at least a 50% ownership interest in the business and the business must show a net profit of at least \$3,000 for the year in which the credit is taken.

New Business Allowable Expenses

The following expenses associated with a start-up business, up to a maximum of \$2,000, may be deducted:

- (A) expenses associated with the development of a business plan;
- (B) professional services associated with the formation of the business (e.g., attorney and accounting services);
- (C) an analysis or survey of potential markets, products, labor supply, or transportation facilities;
- (D) advertisements for the opening of the business;
- (E) salaries and wages for employees who are being trained and their instructors;
- (F) travel and other necessary costs for securing prospective distributors, suppliers, or customers;
- (G) salaries and fees for executives and consultants, or for similar professional services.



Mail Completed Applications and DD Form 214 to:
Office of Veterans Affairs, 118 State Street, Montpelier, VT 05620-4401
 Toll-free: (888) 666-9844; Phone: (802) 828-3379; Fax: (802) 828-5932
 Operating Hours: Monday – Friday, 7:30 a.m. – 4:00 p.m.

**CERTIFICATION FOR
 UNEMPLOYED VETERAN WITH RECENT MILITARY SERVICE**

In accordance with Act 44 of 2011, employers who hire a recently separated veteran may be eligible to receive a tax credit of \$2,000. Veterans who start their own business may receive up to a \$2,000 tax credit. Instructions and important eligibility information is attached.

To ensure fast and accurate processing, applicants should include a copy of their most recent DD Form 214.

APPLICANT INFORMATION (PLEASE PRINT LEGIBLY)

(Print) First Name:	Middle Initial:	Last Name:	
Date of Birth:	Social Security Number:		
Phone:	Email Address:		
Mailing Address:			
Town:	County:	State:	Zip:
Signature:		Date:	

STAFF PROCESSING (VERMONT OFFICE OF VETERAN AFFAIRS STAFF ONLY)

The applicant above meets the military service requirements for this program. <input type="checkbox"/> Yes <input type="checkbox"/> No Authorized VOVA Signature: _____ Printed Name: _____ Eligibility Expires: _____	Application not valid without Office of Veterans Affairs stamp
---	--

STAFF PROCESSING (VERMONT DEPARTMENT OF LABOR STAFF ONLY)

The applicant above meets the criteria relating to the Unemployment provisions for this program. <input type="checkbox"/> Yes <input type="checkbox"/> No Authorized VDOL Signature: _____ Printed Name: _____	Application not valid without Vermont Department of Labor date stamp
---	--

State of Vermont, Office of Veterans Affairs Form 44. Printed June 13, 2011.

For more information on the benefits and services available to veterans and their dependents in Vermont, visit:
www.veterans.vt.gov

Instructions

1. Complete the Applicant Information portion of the Certification for Unemployed Veteran with Recent Military Service form. Make sure to complete all blocks within this section and to print legibly.

2. Vermont Office of Veterans Affairs (VOVA) will determine if the applicant meets the military service eligibility criteria. Deliver the form to VOVA via:

Mail or In Person: 118 State Street, Montpelier, VT 05620-4401

Fax: (802) 828-5932

Applicants should include a copy of their most recent DD Form 214 to ensure fast and accurate processing. VOVA may require additional documentation necessary to verify eligibility. Approved applications will be stamped by VOVA and returned to the applicant. Disapproved applications will be returned to the applicant by VOVA with the reason for disapproval.

3. The Vermont Department of Labor (VDOL) will determine if the applicant meets the Unemployment eligibility criteria. Applicant will deliver applications approved by VOVA to the local VDOL Resource Center listed below. Approved applications will be stamped by VDOL and returned to the applicant. Disapproved applications will be returned to the applicant by VDOL with the reason for disapproval.

Town	Location	Phone
Barre	McFarland State Office Building, 5 Perry Street, Suite 200	476-2600
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Burlington	63 Pearl Street	863-7676
Middlebury	1590 Route 7 South, Suite 5	388-4921
Morrisville	197 Harrel Street	888-4545
Newport	Emory E Hebard State Office Building, 100 Main Street, Suite 210	334-3351
Randolph	50 Randolph Avenue (by appointment only)	476-2600
Rutland	200 Asa Bloomer Building	786-5837
St. Albans	20 Houghton Street, Room 101	524-6585
St. Johnsbury	1197 Main Street, Suite 1	748-3177
Springfield	56 Main Street, Suite 101	885-2167
White River Jct.	220 Holiday Drive, Suite 28, Gilman Office Center	295-8805

4A. New Hire: After receiving approval from both VOVA and VDOL, provide the form to your new employer. The employer will then file this document with the Vermont Department of Taxes (VTAX), which will also require documentation of employer and position criteria.

4B: New Business: After receiving approval from both VOVA and VDOL, the applicant will provide the form to VTAX when filing your income tax return. Additional documentation will be required to verify eligibility criteria and allowable expenses.

Period of Eligibility

This tax credit is for new hires or new businesses started between May 24, 2011 and December 31, 2012. A credit earned under this section may be claimed in the tax year following the new full-time employee's date of hire, or in the tax year following the date that the start-up business was created, and may be carried forward one year. Appropriate tax forms and instructions to claim this credit may be downloaded from the VTAX website (www.state.vt.us/tax/index.shtml).

Military Service Eligibility Criteria

The date of hire or date of new business start up must be within 24 months of an Honorable or General Discharge from active, federal military service. The veteran must either have been a resident of Vermont at the time of entry into the military or was mobilized to active, federal military service while a member of the Vermont National Guard or other reserve unit located in Vermont.

Unemployment Eligibility Criteria

The applicant must be collecting unemployment benefits, be eligible to collect unemployment benefits, or have exhausted unemployment benefits. For new hires, the applicant must not have been employed by the employer within the past 90 days. Questions regarding Unemployment eligibility criteria can be directed to the VDOL Unemployment Claimant Assistance Line at (877) 214-3332.

Employer Criteria

To be eligible to receive the tax credit, an employer must be in good standing with respect to applicable registration, fee, and filing requirements with the Secretary of State, VTAX, and VDOL. In addition, the employer must have in place a valid workers' compensation policy.

Position Criteria

To be eligible to receive the tax credit, an employer must hire the applicant to a position that provides at least 35 hours per week of work for not less than 45 of the 52 weeks following the date of hire. In addition, the position must provide compensation that equals or exceeds the prevailing compensation level, including wages and benefits, for the particular employment sector and region of the state as determined by the VDOL Commissioner. Employers can determine if a position they have is qualified by visiting the VDOL website (www.labor.vermont.gov/veterans) or calling (802) 828-4153.

New Business Eligibility Criteria

To be eligible to receive the tax credit for a new start up business, the applicant must hold at least a 50% ownership interest in the business and the business must show a net profit of at least \$3,000 for the year in which the credit is taken.

New Business Allowable Expenses

The following expenses associated with a start-up business, up to a maximum of \$2,000, may be deducted:

- (A) expenses associated with the development of a business plan;
- (B) professional services associated with the formation of the business (e.g., attorney and accounting services);
- (C) an analysis or survey of potential markets, products, labor supply, or transportation facilities;
- (D) advertisements for the opening of the business;
- (E) salaries and wages for employees who are being trained and their instructors;
- (F) travel and other necessary costs for securing prospective distributors, suppliers, or customers;
- (G) salaries and fees for executives and consultants, or for similar professional services.

Attachment B

West Virginia Annotated Code 21A-2C-4 and tax schedule J—the “West Virginia Military Incentive Credit”

C

West's Annotated Code of West Virginia Currentness

Chapter 21A. Unemployment Compensation (Refs & Annos)

Article 2C. Military Incentive Program (Refs & Annos)

→ § 21A-2C-4. Tax credit; eligibility; amount

(a) Each person, partnership or corporation which employs an economically disadvantaged Vietnam era or Korean conflict veteran or any disabled veteran, or an unemployed member of the West Virginia national guard or a member of the reserve forces of the United States for a continuous period of one year, except as otherwise provided in this article, shall be entitled to an appropriate tax credit for each such individual so employed. In the case of a person or partnership so employing such individuals, the tax credit provided for in this section shall be applied against the employer's personal income tax liability. In the case of a corporation so employing such individuals, the tax credit provided for in this section shall be applied against the corporation's corporate net income tax liability. This tax credit shall be nonassignable and may not exceed an employer's total tax liability with respect to the specific tax against which the tax credit is required to be applied.

(b) The amount of the tax credit allowed under subsection (a) of this section shall be an amount equal to the following:

(1) For each economically disadvantaged Vietnam era or Korean conflict veteran employed as described in subsection (a), the amount of the tax credit allowed shall be thirty percent of the employee's wage base. For the purposes of this section, the employee's wage base is the first five thousand dollars in wages or compensation actually paid to the employee by the employer;

(2) For each disabled veteran employed as described in subsection (a), the amount of the tax credit allowed shall be a percentage equal to the percentage of disability suffered by the veteran multiplied by the employee's wage base. The employee's wage base is the same as provided in subdivision (1) of this subsection. The percentage of disability referred to in this subdivision means the percentage of compensation for service connected disability as determined by the United States department of veterans affairs; and

(3) For each member of the West Virginia national guard or member of the reserve forces of the United States employed as described in subsection (a), the amount of the tax credit allowed shall be twenty-five percent of the employee's wage base. For the purpose of this section, the employee's wage base is the first five thousand dollars in wages or compensation actually paid to the employee by the employer.


CREDIT(S)

Acts 1984, c. 174; Acts 1991, c. 170.

CROSS REFERENCES

Taxation, military incentive tax credit, see §§ 11-21-42, 11-24-12.

LIBRARY REFERENCES

Taxation  1047.
Westlaw Key Number Search: 371k1047.
C.J.S. Taxation § 1098.

UNITED STATES CODE ANNOTATED

Income taxes, applicability on military or other reservations, see 4 U.S.C.A. § 106.

W. Va. Code, § 21A-2C-4, WV ST § 21A-2C-4

Current through 2011 Reg. Sess.

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END OF DOCUMENT

WEST VIRGINIA SCHEDULE J

WEST VIRGINIA MILITARY INCENTIVE CREDIT

The purpose of the West Virginia Military Incentive Credit (formerly called the Veterans Employment Credit) is to encourage the employment of veterans and members of the guard and reserve forces in the private sector. This would be accomplished by providing tax credits to qualified employers providing employment to economically disadvantaged veterans, disabled veterans and unemployed members of the West Virginia National Guard and United States Reserve forces.

ELIGIBLE TAXPAYERS

Eligibility for the Military Incentive Credit is limited to employers hiring individuals certified as eligible by the West Virginia Division of Employment Security. The credit typically applies if the eligible individual is employed for a continuous period of one year or more. Certain other restrictions and limitations also apply.

Tax credits will not be available to employers for any individual employed for less than one year of continuous employment. However, if the individual voluntarily leaves employment with the employer; the individual becomes totally disabled and unable to continue his employment; or the individual is terminated for good cause shown, the employer shall be entitled to a partial tax credit in a proportional amount corresponding to the ratio of the time period during which the veteran was actually employed.

The tax credit is not available for the employment of any individual who displaces a person already employed or for the employment of any individual for whom the employer is receiving job training payments from either the federal or state government.

AMOUNT OF CREDIT

For economically disadvantaged veterans hired, the credit available to the employer is 30% of the first \$5,000.00 in wages or compensation actually paid the employee. For disabled veterans, the credit is the percentage of disability multiplied by the first \$5,000.00 in wages or compensation actually paid the employee. For members of the West Virginia National Guard and United States Reserve forces, the credit is 25% of the first \$5,000.00 in wages or compensation actually paid the employee.

Classification	Percentage	x	Wage Base	= Credit
Disadvantaged Veteran	30%	x	\$5,000.00	
Disabled Veteran	Disability Percentage	x	\$5,000.00	= \$1,500.00
National Guard or Reserve	25%	x	\$5,000.00	= \$0.00 - \$5,000.00 = \$1,250.00

DEFINITIONS OF QUALIFIED EMPLOYEES

An "Economically Disadvantaged" veteran means a person who:

1. Receives, or is a member of a family which receives, cash welfare payments under a federal, state or local welfare program;
2. Has been certified as eligible by the West Virginia Department of Employment Security and has been employed for a continuous period of one year;
3. Has, or is a member of a family which has, received a total family income for the six months prior to application which, in relation to family size, was not in excess of the high of:
 - a. The poverty level determined in accordance with criteria established by the federal office of management and budget; or
 - b. Seventy percent of the lower living standard income; or
 - c. Is receiving food stamps pursuant to the food stamp act of 1977; or
 - d. Is a foster child on behalf of whom local government payments are made; or
 - e. Is an adult handicapped individual whose own income meets the requirements of subdivisions 1 and 2 of this subsection, but who is a member of a family whose income does not meet such requirements.

"Korean conflict" veteran means a person who served in the armed services of the United States at least one day during the period of time beginning on the twenty-seventh day of June, one thousand nine hundred fifty, and extending through the thirty-first day of January, one thousand nine hundred fifty five.

"Vietnam era veteran" means a person who served in the armed services of the United States at least one day during the period of time beginning the fifth day of August, one thousand nine hundred sixty-four, and extending through the seventh day of may, one thousand nine hundred seventy-five.

"National Guard member" means a member of any component of the West Virginia National Guard.

"Reserve member" means a member of any component of the reserve forces of the United States.

If you desire additional information about the "Military Incentive Program Act of 1991", you must contact your local Job Service Office or the West Virginia Employment Services Division, 112 California Avenue, Charleston, WV 25305 (304) 558-7849.

INSTRUCTIONS

Enter the name(s) and Identification number shown on your West Virginia State Personal Income Tax return or that shown on the West Virginia Corporation Net Income Tax return.

Enter the employer name and Identification number as it appears on the "Employer Certification" issued by the West Virginia Department of Employment Security.

Column 1 - Enter the Veteran's or member's last name, first name then middle initial on the first line. Enter his or her social security number (SSN) on the second line.

Column 2 - Check the appropriate box. If the veteran or member is disabled, enter the percentage of compensation for service connected disability as determined by the Veteran's Administration of the United States. If the veteran or member is disadvantaged, the legislated thirty percent (30%) limitation has been preprinted. See introduction for definition of "Economically Disadvantaged Veteran". If member of the National Guard or Reserves, the legislated twenty-five percent (25%) limitation has been preprinted.

Column 3 - Enter the Beginning and Ending date of employment during your taxable year for each veteran or member. If the period of employment for a veteran or member is less than one year, then the allowable credit must be prorated as described in the "Column 5" instructions.

Column 4 - Enter the total amount of wages or compensation paid to the veteran or member during the taxable year or \$5,000.00, WHICHEVER IS LESS.

Column 5 - Enter the amount of allowable credit for each qualified veteran or member you have employed for the entire taxable year computed by multiplying the amount shown in column 4 by the applicable percentage shown in column 2. If the period of employment is not for the entire taxable year you must also prorate the calculated credit according to the ratio of the employment dates shown in Column 3 to a full one-year period. In other words, if the period of employment was August 1, to December 31 of the taxable year the calculated credit must be multiplied by 5/12.

The maximum credit for each veteran or member is limited to the smallest of either the calculation just described for a partial year of employment or \$5,000.00 for a 100 percent "Disabled" veteran or member.

Add lines (a) through (e) of Column 5 and enter the total in the appropriate space. Carry this total over to the appropriate line on your Resident Personal Income Tax Form (IT-140), your Nonresident/Part-Year Resident Form (IT-140NR/PY) or Summary Schedule TC of the West Virginia Corporation Net Income Tax Return.

SCHEDULE J
WEST VIRGINIA MILITARY INCENTIVE CREDIT

TAX YEAR ENDING _____, _____

NAME(S) SHOWN ON TAX RETURN _____

YOUR SOCIAL SECURITY NUMBER _____

EMPLOYER NAME _____

TAX IDENTIFICATION NUMBER _____

(1) Veteran's or Member's Name Social Security Number	(2) Category - Check one (If disabled - enter percent of disability.)	(3) Period of Employment during tax year.	(4) Wages Paid	(5) Credit
(a) Name (Last, First, MI) _____ SSN _____	Disabled _____% Disadvantaged 30% National Guard 25% or Reserves 25%	Beg _____ End _____	\$ _____	\$ _____
(b) Name (Last, First, MI) _____ SSN _____	Disabled _____% Disadvantaged 30% National Guard 25% or Reserves 25%	Beg _____ End _____	\$ _____	\$ _____
(c) Name (Last, First, MI) _____ SSN _____	Disabled _____% Disadvantaged 30% National Guard 25% or Reserves 25%	Beg _____ End _____	\$ _____	\$ _____
(d) Name (Last, First, MI) _____ SSN _____	Disabled _____% Disadvantaged 30% National Guard 25% or Reserves 25%	Beg _____ End _____	\$ _____	\$ _____
(e) Name (Last, First, MI) _____ SSN _____	Disabled _____% Disadvantaged 30% National Guard 25% or Reserves 25%	Beg _____ End _____	\$ _____	\$ _____

Total (Column 5 a-e) _____

Carry this total over to the appropriate line on your Resident Personal Income Tax Form (IT-140), your Nonresident/Part-Year Resident Form (IT-140NR/PY) or Summary Schedule TC of the West Virginia Corporation Net Income Tax Return.

Hiring Military Veterans is Good Business

Unemployment rates high for these individuals

BY BILL WHITMORE

If your company's diversity recruiting strategy fails to include military veterans, you are missing out on working with some of our country's most outstanding men and women. Organizations that fail to recognize the extraordinary leadership qualities veterans bring to the workplace pass up the opportunity to work with results-oriented employees who have a strong sense of accountability and responsibility. It is time for our country's corporate leaders to awaken to the reality that combat leadership and military discipline translate into dynamic employees who can enhance an organization's productivity.

While the national unemployment rate hovers around 9.7 percent for civilians, the unemployment rate for young male veterans, including those returning from Afghanistan and Iraq, is more than double the national average at 21.6 percent, according to the Bureau of Labor Statistics. Isn't it time to shine the employment spotlight on the brave men and women who serve our country?

What essential set of life skills do military veterans bring to corporate America that makes them an indispensable pairing? The military trains our men and women to lead by example, as well as understand the nuances of delegation and motivation. As General Douglas McArthur once said: "A true leader has the confidence to stand alone, the courage to make tough decisions, and the compassion to listen to the needs of others." Military veterans understand the value of teamwork, which they



Bill Whitmore

can apply in our country's offices and board rooms. Veterans understand their role within an organizational framework and serve as exemplary role models to subordinates while demonstrating accountability and leadership to supervisors.

Veterans generally enter the work force with identifiable skills that can be transferred to the business world, and are often skilled in technical trends pertinent to business and industry. And what they don't know, they are eager to learn – making them receptive and ready hires in work environments valuing ongoing learning and training. Veterans represent diversity and collaborative teamwork in action having served with people from diverse economic, ethnic and geographic background – as well as

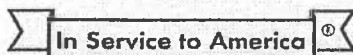
race, religion and gender. Even under dire stress, veterans complete tasks and assignments in a timely manner as they have labored under restrictive schedules and resources on the battlefields and military installations they've served.

Employers can find qualified veterans from a variety of sources including the Employer Partnership of the Armed Forces, Employer Support of the Guard and Reserve, Military.com, HireVeterans.com and the Wounded Warriors Project. Employers can become true partners with selected veterans' organizations and work with them proactively to ensure they are maximizing their ability to recruit from this extremely qualified talent pool.

Let's not forget, the men and women who have chosen to serve our country are patriots who have made enormous sacrifices to ensure our safety and freedom. By employing military veterans, we are saying, "thank you for your service" and for protecting us from terrorism and other threats. □

About the Author

Bill Whitmore is chairman, president & CEO of AlliedBarton Security Services, www.alliedbarton.com, the industry's premier provider of highly trained security personnel to many industries including commercial real estate, higher education, health care, residential communities, chemical/ petrochemical, government, manufacturing and distribution, financial institutions and shopping centers.



Chapter 904 - Anchorage, Alaska "An Agenda of Service"

January 19, 2012

Senator Bill Weilechowski
Chairman
Senate State Affairs Committee
Alaska State Legislature

Senator:

As you know we were very much involved in the development of a veteran jobs package in Washington, DC that was finally approved by the Congress and signed by the President. An important component of this package was a tax incentive for American businesses to hire veterans, with some additional incentives for disabled veterans. The incentives start at \$2,400 in the federal package.

Like so many Alaskans we have heard time and again about how imposing our state incorporation taxes are. So, in an effort to encourage Alaskan businesses to also hire veterans we were very pleased with your interest in an additional incentive, right here in Alaska to hire veterans.

We strongly support SB 136, and would suggest that the tax credit be at \$2,600. This would allow a combined tax credit (federal/state) of \$5,000 per veteran hired at a minim of 32 hours a week and retained for most of a year.

With the provision of SB 136, we have shared with bill with 48 other VVA State Council Presidents, and I can report that a number of them have asked their legislators to seriously consider doing the same.

With passage of this bill, Alaska will continue to be viewed nationally as a very veteran friendly state.

I wanted to again thank you for the Town Hall Meeting you and your colleagues held in east Anchorage last year. It was without question one of the best to date and I think those Members of the legislature who attended got something substantive out of it. Certainly SB 136 was one of those ideas presented at that meeting.

It is an honor,

Ric Davidge
President, VVA 904

Also: National Chairman, VVA Govt Affairs Cmte
Former National Chairman, VVA Economic Opportunities Cmte

VETS HELPING VETS

2808 E. TUDOR ROAD, SUITE 3
ANCHORAGE, ALASKA, 99507
907-433-0011

"Making a difference one person at a time"

Date: 22 January 2012

Subject: Support Letter for SB136 Income Tax Credit for Employing Veterans

To whom it may concern,

On behalf of many Alaska Veterans and the Vets Helping Vets organization of Anchorage, Alaska, I am writing this letter of support for the Income Tax Credit for Employing Veterans bill.

My name is Calista Anderson; I am the President of the Vets Helping Vets organization located here in Anchorage at 2808 E. Tudor Rd. , and a proud military (US Army) wife of 17 years. My husband along with many other spouses, sons, daughters and mothers and fathers have made many sacrifices and will continue to do so today and in the future for all the freedoms we enjoy in our way of life today. Many of these are now business owners. Too many have given the ultimate sacrifice! In saying this, every state in America should have such a bill as this put in to motion, but especially here in Alaska with the enormous amount of unemployment we have right here in our own community. Now and always in the future every business should receive a tax credit for hiring veterans, as we will always have veterans in our country. The reason we have the ability to open a business anytime or any place we choose is because of these veterans that ensured we are free, not living under a dictatorship as many countries today are forced to do so. Offering this bill will encourage business owners to hire more veterans, giving them a chance to improve their lives and the chance to get back on their feet, a hand UP, not a hand OUT. Many of our veterans have fallen thru the cracks to many times for too long, providing this tax credit bill to businesses in our state will be a great incentive to reach out to many more veterans and to decrease the percentage rate of unemployed and homeless veterans in Alaska, therefore, giving veterans an opportunity to improve their quality of life as well as for their families. By hiring our veterans and allowing them to learn new trades opens many doors for them and their families to begin a normal way of life, the dream they had when they entered the military to defend our freedoms, the AMERICAN DREAM. Not only will it give business owners a tax credit but in many ways for many people it will give a sense of pride and self-worth that needs to be restored today and for the business owners that tax break that many of them deserve as well. Passing such a bill as this can only benefit our local business

owners and our nation's heroes that deserve that second chance. Employing our veterans and getting them off the streets should always be a priority in our state and across our nation, as "homeless " and "veteran" should never come together in the same sentence. Veterans voluntarily gave up so much of their "normal" way of life to protect ours; allowing business owners to employ them with a tax credit will provide a sense of normalcy and appreciation back to our veterans and some businesses across our great state.

When making your decision to pass this law, please remember that all of our veterans (that are many of our business owners today), gave some, however, some gave ALL.

In addition, we are fully supportive also of the Military Training Credit bill as well. This is very important for our military; training is very important and is the very thing that provides our military with the knowledge to continue to keep our country free.

Sincerely,

Calista Anderson

US Army wife and President of Vets Helping Vets of Anchorage, Alaska

April 3, 2012

Kurt Olson, Chair
House Labor and Commerce Committee
Capitol Building, Room 24
Juneau, AK 99801

[Representative Kurt Olson@legis.state.ak.us](mailto:Representative_Kurt_Olson@legis.state.ak.us)

RE: SB 136 Tax Credit for hiring Alaska Veterans

Dear Chairman Olson,

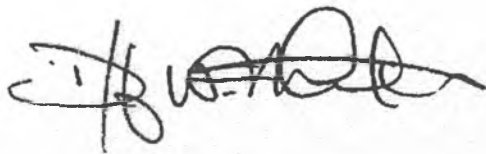
I am writing to you to ask that SB 136 be provided a public hearing and swift passage prior to end of the current legislative session. I am an OIF/Alaska National Guard veteran with just under 30 years of service. I started my service as a Private and retired as a Lieutenant Colonel. As a former commander, it pains me to see fellow veterans struggle to obtain good employment to feed their families and transition to civilian employment. I read that you are an Air Force Vietnam era veteran so you can appreciate first-hand what I am talking about.

Alaska has a high per capita of veterans, but we also have a high percentage of unemployed veterans. Some of our rural villages have extremely high percentage of veterans along with high unemployment. SB 136 is not a silver bullet to fix Alaska vet unemployment, but it is a good and important tool to raise the visibility for Alaskan employers to consider hiring Alaska vets. Many businesses already support the hiring of veterans and this bill helps bolster employers to do the right thing to provide an extra hand to veterans returning from overseas and settling in with civilian life.

It would be good that employers that enter this program receive an administrative or Departmental certificate of appreciation for participating in this well intentioned hire a vet legislation.

I appreciate that you and your committee are swamped with bills to heard and passed on during the waning days of this legislative session. I appreciate your consideration in allowing this bill to be heard and passed along for a floor vote to send a positive message for returning veterans by encouraging Alaska employers to partner in alleviating our high unemployment rate of returning veterans.

Sincerely,

A handwritten signature in black ink, appearing to read "Duff Mitchell". The signature is stylized and somewhat cursive, with a large initial "D" and "M".

Duff Mitchell, LTC retired
3274 Pioneer Avenue
Juneau, AK 99801

April 10th, 2012

The Honorable Kurt Olson, Chair, House Labor and Commerce Committee
Alaska House of Representatives
State Capitol, Room 24
Juneau, AK 99801

Dear Representative Olson:

I am writing to strongly encourage your support for the passage of SB 136, the Income Tax Credit for Employing a Veteran.

I am retired Alaskan who worked as a civilian for the Department of Defense for over 30 years, working side by side with many fine soldiers and airmen, helping them to develop skills and master training that they would be able to use when they left the service and entered the workforce.

Alaska's businesses and population could benefit greatly from a tax credit such as this. Many of my friends and family members served in the military, and I value the discipline that these fine young people gain as they serve their country. The unemployment rates for veterans are shamefully high, and as a state with a significant veteran population, it is incumbent upon us to take care of those who have worked so hard to take care of us.

Thank you for your work on behalf of Alaska, and in closing, I urge you to support passage of this important bill.

Sincerely,



William B. Clucas

Cc: Representative Bob Miller
Representative Dan Saddler
Representative Mike Chenault
Representative Lindsey Holmes
Representative Craig Johnson
Representative Steve Thompson

Kendra Kloster

From: Sen. Bill Wielechowski
Sent: Tuesday, April 10, 2012 11:59 AM
To: Kendra Kloster
Subject: FW: SB136

From: D [mailto:dermottusmc@hotmail.com]
Sent: Tuesday, April 03, 2012 7:33 PM
To: Sen. Bill Wielechowski
Subject: SB136

Senator Bill Wielechowski
State Capitol, Rm. 101
Juneau, AK 99801

RE: SB 136 Support

Dear Senator Wielechowski,

I am writing in support of SB 136 which provides a state Income Tax Credit for employing eligible veterans. As an Operation Iraqi Freedom veteran and member of the Southeast Alaska Native Veterans, I appreciate your introduction and diligence in introducing legislation designed to help our returning Alaska veterans.

It is not always an easy transition from military to civilian life. Veterans in some communities have a hard time finding work. This bill will help incentivize employers to take a second look at veterans. This bill is one small, but important step in helping our veterans find good and steady work while transitioning to civilian work life.

Thank you for your efforts and I ask that the House Labor and Commerce Committee pass this bill from its committee and allow this legislation to proceed for a full vote.

Dermott Howard.
US Marine /US Army National Guard Retired
Douglas, AK 99824

Kendra Kloster

From: Dixie D. Banner <akdaisyd@yahoo.com>
Sent: Monday, January 30, 2012 10:58 PM
To: Kendra Kloster
Subject: Re: Military & Veteran Legislation for Next Week

Kendra,

In response to this proposed bill, offering a tax credit to employers, would generated both jobs and greatly enhance the economy for

AK. I am speaking as a Vet who is currently working for the Federal Government. An organization that is currently is cutting jobs and an organization that has not seen growth in a number of years. Also, the opportunity for career enhancement is non existent att. In fact they propose a wage freeze until 2015. This one reason, I would like for the State of AK to take an initiative to spur growth in the private sector for working for the gov offers a minim wage or less and a bleak retirement.

In speaking of the private sector this bill will benefit many veterans who are unemployed or underemployed, as well as, allow

veterans to utilize their training and skills that they have achieved while serving. In fact most new veterans (young ones) are far more educated were 10 years ago. In addition, this bill will be an initiative for the Oil and Gas Industry who may consider hiring Veterans vs. individuals who are from the Lower 48.

While looking into the future, will foster the ability to live and work in AK, for there are many young military members who will be looking for

work as the DOD is implementing cost cutting measures, in order to achieve a balance budget. This scenario will play out within the next

two to five years, since the writing is on the wall; i.e. many active duty will be in voluntarily discharged, separated or be asked to

retire, in order to create a streamed line military that is strong/effective/and small in numbers.

Now that the war is so called over in Iraq, and they plan to decommission a number of Brigades, the question is what is our nation going to do when our sons and daughters are required to return home to being a new life and required to re enter the Civ Work force? Having worked with the new and seasoned military members whom have served for a few years, tend to forget what Civ Life has to offer and there is many culture differences in the work place; The young ones tend to forget what it is like to be a Civ and recognize the worth of the older and experienced Veterans who work shoulder to shoulder in order to accomplished the mission.

Bottom line if AK desires to maintain its future and ability to function as a state, it must create insensitive that will offer and open system

that will provide the ability for its Veterans to work and live in AK, as well as, have the ability to live the American dream (Have a career, family, home and live their life comfortably over time). If this initiative is over looked then we will see our kids and grand kids migrating to the lower 48. All this is left will be those who are living from pay check to pay cheek and those who require state assistance. On a personal note, I did not go to school and server my country in order to live in poverty and live in fear of not being able to retire.

When speaking of initiating the Hero's Act 2011, this program will be beneficial to all who is involved. It allows veterans to complete a transformation of their military careers into the Civ Sector with limited limitations. Most veterans now days are married and have children. The thought of returning to school, in order to find employment or better themselves is often impossible. This is due to the fact, funds are not available after being discharged. Furthermore, most young GI have spousal units who are young themselves and have small children in tow. Only one can return to school at a given time. Secondly, in most cases, the idea of daycare is not an option.

If an individual can access a professional position or allowed to reenter their profession (trade), with limited requirement, it is a win win situation for both the State and the Veteran, otherwise the family will be required to seek state assistance, which can be be challenging at times, since support often equates to control and after being in the military for years, this can create animosity. The Hero's Act will offer skilled professionals who will be able to enter the work force with out the need of extensive training requirement which for an employer, training is major cost and can determine one's long term ability to survive in a volital economy, esp now days. Lastly, the idea and the ability to find employment shortly after being discharge is a moral booster for the fact a Veteran is able to survive and make a living for themselves and their and family, (Work equates to self worth and pride, as well as, securing the ability to maintain emotional and financial security). The idea of being financially disposed and the idea of having to live with family, in order to survive is not pleasant.

If you have any questions, please send a reply. It has been a long cold January and I am ready for spring...I have many irons in the fire; however, I am like many Alaskans who are praying and waiting for the legislators to pave the way, which will build a better economy than what we have experienced in the last few years. PS I hope I am not late but I have been busy at work, as well as, at home. It actually warmed up today and it felt good.

Thank you for your time and assistance.

V/R

Dixie Banner

April 9, 2012

The Honorable Kurt Olson
Alaska House of Representatives
State Capitol, Room 24
Juneau, AK 99801-1182

Dear Representative Olson:

The Veteran Employment Tax Credit, SB 136, needs to be heard and passed.

I grew up in North Pole, I live in North Pole, and own a business in Fairbanks. The military and veterans have been, and remain, a significant part of my life, as friends, family, neighbors, and customers. My father served for over 20 years in the US Air Force, I moved to Alaska when he was stationed here, and it is my home.

I currently have a small enterprise, but am seeking to expand and hire new employees, as my family will be expanding by one in the fall, and I am especially motivated to make sure that people I hire have many of the qualities veterans possess – responsible, ambitious, dependable.

I work with many community organizations to improve the quality of life for people in the Interior. I believe that this bill would be one way that we can help address the veteran unemployment numbers and encourage small businesses. Your support for hearing and passage of this bill would be very much appreciated.

Sincerely,



Sheri L. Olesen
Owner, Chartreuse

Cc: Representative Mike Chenault
Representative Lindsey Holmes
Representative Craig Johnson
Representative Bob Miller
Representative Dan Saddler
Representative Steve Thompson

April 9, 2012

The Honorable Kurt Olson
Alaska House of Representatives
State Capitol, Room 24
Juneau, AK 99801

Dear Representative Olson:


Please pass SB 136, the Income Tax Credit for Employing a Veteran.

I am a small business owner in Fairbanks. I have lived here for most of my life, raised my children, and worked hard to make this community the best I can. A significant part of our community are our veterans.

As an employer I appreciate the hard work and commitment that service in the military instills in our young people. As a business owner who recently expanded her facilities, I have a narrow profit margin and a bill such as this would help us to stay in business while having skilled employees.

Those who currently serve, as well as many veterans, are a large part of my customer base. If we, as Alaskans, are able to do what we can to help them transition into the workforce while also supporting the business community, it is a win for us all.

Sincerely,


Valerie Fairchild
President, Speedy Sub
PO Box 10333
Fairbanks, AK 99710

Cc: Representative Mike Chenault
Representative Lindsey Holmes
Representative Craig Johnson
Representative Bob Miller
Representative Dan Saddler
Representative Steve Thompson

TOP STORY ■■■

TUESDAY, FEBRUARY 07, 2012

States try to help veterans find jobs

By Pamela M. Prah, Stateline Staff Writer

Missouri Governor Jay Nixon, visiting troops in Afghanistan recently, was taken aback by the answer he got when he asked a soldier suiting up to go on patrol what concerned him most.

“He didn’t say he was most worried about facing the enemy that night,” Nixon said last month. “He looked me in the eyes and said, ‘Governor, I’m worried about whether there will be a job for me when I get home.’”

There’s good reason for that soldier to be worried. The unemployment rate for veterans who have served in the military since 2001 is 11.5 percent, higher than the national average, which is now 8.3 percent. But the situation is much bleaker for veterans aged 18 to 24 — they averaged a staggering 30 percent unemployment rate in 2011, according to unpublished data from the U.S. Bureau of Labor Statistics.

With U.S. combat troops slated to leave Afghanistan next year and U.S. forces already out of Iraq, states are preparing to welcome back a large number of returning troops, many of whom will be seeking work. Nixon was among several governors who used recent state of the state addresses to outline plans to help make it easier for veterans to find jobs. “Every veteran who needs a job should be able to get one,” Nixon said.

State governments commit more than \$4 billion of their own resources annually to support the country’s estimated 22 million veterans and their families, according to the National Association of State Departments of Veterans Affairs. The benefits range from tuition assistance to helping veterans buy homes.

In Missouri, Nixon, a Democrat, pledged to expand his Show-Me Heroes initiative, launched last year, in which private employers agree to put military veterans at the front of the line when hiring. More than 1,000 veterans have found jobs through the program, the governor said. Missouri also is among more than a dozen states that offer some kind of preference for veteran-owned businesses in procuring state contracts, according to the National Veteran-Owned Business Association.



George Frey/Getty Images

With U.S. forces out of Iraq and combat troops slated to leave Afghanistan in 2013, states are readying for an influx of returning troops who will be looking for work.

Colorado Governor John Hickenlooper would like his state to be on that list. The Democrat wants to give veterans preference in state hiring as part of his efforts to make Colorado “the most pro-military state.” He also wants to make it easier for military spouses to use their occupational licenses and credentials and work in Colorado if they are already licensed in another state.

Oklahoma this year launched a new job market website, described by Republican Governor Mary Fallin as “a comprehensive reemployment resource for returning military men and women who have bravely served us.”

Employer tax breaks

Another new development involves offering tax breaks to private employers who hire veterans. Idaho launched a Hire One Vet program last April that gives a sliding-scale income tax credit to employers who pay \$12 to \$15 an hour or more plus benefits, and meet other criteria.

“The Hire One Vet effort is more than the right thing to do,” Republican Governor C.L. “Butch” Otter said last month when he encouraged employers to take advantage of the credit. “It is our responsibility to ensure that our troops have the tools they need to resume their productive civilian lives.”

In Minnesota, Governor Mark Dayton, a Democrat, wants to give a \$3,000-per-employee tax credit to businesses that hire veterans. In New Mexico, Governor Susana Martinez, a Republican, proposes a \$1,000 tax credit for doing the same. “These men and women should not fight for our freedoms abroad only to be stuck on the unemployment line when they return home,” Martinez said.

President Obama has made a big push to help veterans get jobs, including the creation of a Veterans Jobs Corps that will help communities hire veterans as cops and firefighters. Veterans issues were one of the few areas in which the president and Congress agreed last year. Just in time for Veterans Day last November, Congress passed legislation that provides federal tax credits to companies that hire vets.

But not everyone agrees that tax credits actually help veterans find jobs. “Research suggests that the credit has not been effective in improving employment outcomes,” according to a review by the Tax Policy Center, a joint effort of the Urban Institute and the Brookings Institution.

Republican U.S. Senator Jim DeMint of South Carolina was the only senator to vote against last year’s Veterans Day measure giving employers a federal tax break for hiring veterans. “I cannot support this tax credit because I do not believe the government should privilege one American over another when it comes to work,” he said. While DeMint stressed his appreciation for veterans, he said, “we don’t pay them back for their service and sacrifice with false promises of government programs that have proven not to work.”

Help on retirement and tuition

New Mexico Governor Martinez also wants to allow retiring veterans to exempt 25 percent of their pension income from state taxes, another idea that more than a dozen states offer, according to a tally from Military.com.

Missouri passed a similar law in 2009. Military veterans there will not pay any state taxes on military pensions by 2016. “That law is a strong signal that we want military veterans to move to Missouri, to work in Missouri, and to make Missouri their home,” Nixon said.

Tuition assistance also is popular. Virginia Governor Robert McDonnell, a Republican, wants to provide in-state tuition for all members of the Virginia National Guard, regardless of how long they’ve lived in Virginia. In Iowa, the first measure to hit Republican Governor Terry Branstad’s desk this year added \$1.3 million to a tuition assistance program for National Guard troops returning from deployment.

— Contact Pamela M. Prah at pprah@stateline.org

Comment on this story in the space below by registering with Stateline.org.

ISSUES AND TOPICS ▄▄▄

Topics: veteran

COMMENTS (1) ▄▄▄

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Most Recent Comments

NM Governor Fights Veterans

By Jackson Griffin on Feb 13, 2012 2:01:04 PM

I posted this yesterday but the website keeps taking it down. Why don't you want veterans to know that Governor Martinez is fighting veterans who are public employees? It is important that people know this.

[Report as Offensive](#)

[Read More Comments](#)

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