

117TH CONGRESS  
1ST SESSION

# H. R. 2963

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit for hiring veterans, and for other purposes.

---

IN THE HOUSE OF REPRESENTATIVES

MAY 4, 2021

Ms. BROWNLEY introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit for hiring veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “VOW to Hire Heroes  
5 Extension Act of 2021”.

6 **SEC. 2. EXTENSION OF WORK OPPORTUNITY CREDIT FOR**  
7 **VETERANS.**

8 (a) IN GENERAL.—Section 51(c) of the Internal Rev-  
9 enue Code of 1986 is amended by adding at the end the

1 following: “The preceding sentence shall not apply in the  
2 case of amounts paid or incurred to a qualified veteran.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by  
4 this section shall apply to individuals who begin work for  
5 the employer after the date of the enactment of this Act.

6 **SEC. 3. SIMPLIFIED CERTIFICATION OF VETERAN STATUS.**

7 (a) **IN GENERAL.**—Subparagraph (D) of section  
8 51(d)(13) of the Internal Revenue Code of 1986 is amend-  
9 ed to read as follows:

10 “(D) **PRE-SCREENING OF QUALIFIED VET-**  
11 **ERANS.**—

12 “(i) **IN GENERAL.**—Subparagraph (A)  
13 shall be applied without regard to sub-  
14 clause (II) of clause (ii) thereof in the case  
15 of an individual seeking treatment as a  
16 qualified veteran with respect to whom the  
17 pre-screening notice contains—

18 “(I) qualified veteran status doc-  
19 umentation,

20 “(II) qualified proof of unemploy-  
21 ment compensation, and

22 “(III) an affidavit furnished by  
23 the individual stating, under penalty  
24 of perjury, that the information pro-

1                   vided under subclauses (I) and (II) is  
2                   true.

3                   “(ii) QUALIFIED VETERAN STATUS  
4                   DOCUMENTATION.—For purposes of clause  
5                   (i), the term ‘qualified veteran status docu-  
6                   mentation’ means any documentation pro-  
7                   vided to an individual by the Department  
8                   of Defense or the National Guard upon re-  
9                   lease or discharge from the Armed Forces  
10                  which includes information sufficient to es-  
11                  tablish that such individual is a veteran.

12                  “(iii) QUALIFIED PROOF OF UNEM-  
13                  PLOYMENT COMPENSATION.—For purposes  
14                  of clause (i), the term ‘qualified proof of  
15                  unemployment compensation’ means, with  
16                  respect to an individual, checks or other  
17                  proof of receipt of payment of unemploy-  
18                  ment compensation to such individual for  
19                  periods aggregating not less than 4 weeks  
20                  (in the case of an individual seeking treat-  
21                  ment under paragraph (3)(A)(iii)), or not  
22                  less than 6 months (in the case of an indi-  
23                  vidual seeking treatment under clause  
24                  (ii)(II) or (iv) of paragraph (3)(A)), during

1           the 1-year period ending on the hiring  
2           date.”.

3           (b) **EFFECTIVE DATE.**—The amendment made by  
4 this section shall apply to individuals who begin work for  
5 the employer after the date of the enactment of this Act.

6 **SEC. 4. CREDIT MADE AVAILABLE AGAINST PAYROLL**  
7 **TAXES IN CERTAIN CIRCUMSTANCES.**

8           (a) **IN GENERAL.**—Section 52(c) of the Internal Rev-  
9 enue Code of 1986 is amended—

10           (1) in the heading by striking “TAX-EXEMPT  
11 ORGANIZATIONS” and inserting “CERTAIN EMPLOY-  
12 ERS”,

13           (2) in paragraph (2)—

14           (A) by striking “QUALIFIED TAX-EXEMPT  
15 ORGANIZATIONS” in the heading and inserting  
16 “CERTAIN EMPLOYERS”, and

17           (B) by striking “by qualified tax-exempt  
18 organizations” in the text and inserting “by  
19 certain employers”.

20           (b) **CREDIT ALLOWED TO CERTAIN FOR-PROFIT EM-**  
21 **PLOYERS.**—

22           (1) **IN GENERAL.**—Paragraph (1) of section  
23 3111(e) of such Code is amended by inserting “or  
24 a qualified for-profit employer” after “If a qualified  
25 tax-exempt organization”.

1           (2) QUALIFIED FOR-PROFIT EMPLOYER DE-  
2           FINED.—Paragraph (5) of section 3111(e) of such  
3           Code is amended by striking “and” at the end of  
4           subparagraph (A), by redesignating subparagraph  
5           (B) as subparagraph (C), and by inserting after sub-  
6           paragraph (A) the following new subparagraph:

7                   “(B) the term ‘qualified for-profit em-  
8                   ployer’ means, with respect to a taxable year,  
9                   an employer not described in subparagraph (A),  
10                  but only if—

11                           “(i) such employer does not have prof-  
12                           its for any of the 3 taxable years preceding  
13                           such taxable year, and

14                           “(ii) such employer elects under sec-  
15                           tion 51(j) not to have section 51 apply to  
16                           such taxable year, and”.

17           (3) CONFORMING AMENDMENTS.—

18                   (A) Section 3111(e)(1) of such Code is  
19                   amended by striking “with respect to whom a  
20                   credit would be allowable under section 38 by  
21                   reason of section 51 if the organization were  
22                   not a qualified tax-exempt organization”.

23                   (B) Paragraphs (1) and (2) of section  
24                   3111(e) of such Code are both amended by in-

1           serting “or for-profit employer” after “employ-  
2           ees of the organization” each place it appears.

3           (C) Section 3111(e)(3)(C) of such Code is  
4           amended by inserting “in the case of a qualified  
5           tax-exempt organization,” before “by only tak-  
6           ing into account”.

7           (D) Section 3111(e)(4) of such Code is  
8           amended by inserting “or for-profit employer”  
9           after “the organization”.

10          (E) Section 3111(e)(5)(C) of such Code, as  
11          redesignated by paragraph (2), is amended to  
12          read as follows:

13                 “(C) the term ‘qualified veteran’ means a  
14                 qualified veteran (within the meaning of section  
15                 51(d)(3)) with respect to whom a credit would  
16                 be allowable under section 38 by reason of sec-  
17                 tion 51 if the employer of such veteran were not  
18                 a qualified tax-exempt organization or a quali-  
19                 fied for-profit employer.”.

20          (c) TRANSFERS TO FEDERAL OLD-AGE AND SUR-  
21          VIVORS INSURANCE TRUST FUND.—There are hereby ap-  
22          propriated to the Federal Old-Age and Survivors Trust  
23          Fund and the Federal Disability Insurance Trust Fund  
24          established under section 201 of the Social Security Act  
25          (42 U.S.C. 401) amounts equal to the reduction in reve-

1 nues to the Treasury by reason of the amendments made  
2 by subsections (a) and (b). Amounts appropriated by the  
3 preceding sentence shall be transferred from the general  
4 fund at such times and in such manner as to replicate  
5 to the extent possible the transfers which would have oc-  
6 curred to such Trust Fund had such amendments not  
7 been enacted.

8 (d) **EFFECTIVE DATE.**—The amendments made by  
9 subsections (a) and (b) shall apply to individuals who  
10 begin work for the employer after the date of the enact-  
11 ment of this Act.

12 **SEC. 5. REPORT.**

13 Not later than 2 years after the date of the enact-  
14 ment of this Act, and annually thereafter, the Commis-  
15 sioner of Internal Revenue, in consultation with the Sec-  
16 retary of Labor, shall report to the Congress on the effec-  
17 tiveness and cost-effectiveness of the amendments made  
18 by sections 2, 3, and 4 in increasing the employment of  
19 veterans. Such report shall include the results of a survey,  
20 conducted, if needed, in consultation with the Veterans'  
21 Employment and Training Service of the Department of  
22 Labor, to determine how many veterans are hired by each  
23 employer that claims the credit under section 51, by rea-  
24 son of subsection (d)(1)(B) thereof, or 3111(e) of the In-  
25 ternal Revenue Code of 1986.

1 **SEC. 6. TREATMENT OF POSSESSIONS.**

2 (a) PAYMENTS TO POSSESSIONS.—

3 (1) MIRROR CODE POSSESSIONS.—The Sec-  
4 retary of the Treasury shall pay to each possession  
5 of the United States with a mirror code tax system  
6 amounts equal to the loss to that possession by rea-  
7 son of the amendments made by this Act. Such  
8 amounts shall be determined by the Secretary of the  
9 Treasury based on information provided by the gov-  
10 ernment of the respective possession of the United  
11 States.

12 (2) OTHER POSSESSIONS.—The Secretary of  
13 the Treasury shall pay to each possession of the  
14 United States which does not have a mirror code tax  
15 system the amount estimated by the Secretary of the  
16 Treasury as being equal to the loss to that posses-  
17 sion that would have occurred by reason of the  
18 amendments made by this Act if a mirror code tax  
19 system had been in effect in such possession. The  
20 preceding sentence shall not apply with respect to  
21 any possession of the United States unless such pos-  
22 session establishes to the satisfaction of the Sec-  
23 retary that the possession has implemented (or, at  
24 the discretion of the Secretary, will implement) an  
25 income tax benefit which is substantially equivalent



1 to the income tax credit in effect after the amend-  
2 ments made by this Act.

3 (b) COORDINATION WITH CREDIT ALLOWED  
4 AGAINST UNITED STATES INCOME TAXES.—The credit  
5 allowed against United States income taxes for any tax-  
6 able year under the amendments made by this Act to sec-  
7 tion 51 of the Internal Revenue Code of 1986 to any per-  
8 son with respect to any qualified veteran shall be reduced  
9 by the amount of any credit (or other tax benefit described  
10 in subsection (a)(2)) allowed to such person against in-  
11 come taxes imposed by the possession of the United States  
12 by reason of this section with respect to such qualified  
13 veteran for such taxable year.

14 (c) DEFINITIONS AND SPECIAL RULES.—

15 (1) POSSESSION OF THE UNITED STATES.—For  
16 purposes of this section, the term “possession of the  
17 United States” includes American Samoa, Guam,  
18 the Commonwealth of the Northern Mariana Is-  
19 lands, the Commonwealth of Puerto Rico, and the  
20 United States Virgin Islands.

21 (2) MIRROR CODE TAX SYSTEM.—For purposes  
22 of this section, the term “mirror code tax system”  
23 means, with respect to any possession of the United  
24 States, the income tax system of such possession if  
25 the income tax liability of the residents of such pos-

1 session under such system is determined by ref-  
2 erence to the income tax laws of the United States  
3 as if such possession were the United States.

4 (3) TREATMENT OF PAYMENTS.—For purposes  
5 of section 1324(b)(2) of title 31, United States  
6 Code, the payments under this section shall be treat-  
7 ed in the same manner as a refund due from credit  
8 provisions described in such section.

○