

**VETERAN EMPLOYMENT TAX CREDIT**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Don L. Ipson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill enacts tax credits for employing a recently deployed veteran.

**Highlighted Provisions:**

This bill:

- ▶ defines terms; and
- ▶ enacts nonrefundable corporate and individual income tax credits for employing a recently deployed veteran who is eligible to collect or has recently exhausted unemployment benefits.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2012.

**Utah Code Sections Affected:**

ENACTS:

**59-7-614.7**, Utah Code Annotated 1953

**59-10-1029**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-7-614.7** is enacted to read:



28 **59-7-614.7. Nonrefundable tax credit for employing a recently deployed veteran.**

29 (1) As used in this section, "recently deployed veteran" means an individual who:

30 (a) was mobilized to active federal military service in:

31 (i) an active component of the United States Armed Forces as defined in Section

32 59-10-1027; or

33 (ii) a reserve component of the United States Armed Forces as defined in Section

34 59-10-1027; and

35 (b) received an honorable or general discharge from active federal military service

36 under Subsection (1)(a) within the two-year period before the date the employment begins.

37 (2) A corporation may claim a nonrefundable tax credit as provided in this section

38 against a tax under this chapter if the corporation employs a recently deployed veteran on or

39 after January 1, 2012, who:

40 (a) (i) is collecting or is eligible to collect unemployment benefits under Title 35A,

41 Chapter 4, Part 4, Benefits and Eligibility; or

42 (ii) within the last two years, has exhausted the unemployment benefits under

43 Subsection (2)(a); and

44 (b) works for the corporation at least 35 hours per week for not less than 45 of the 52

45 weeks following the recently deployed veteran's start date for the employment.

46 (3) A tax credit:

47 (a) earned under this section shall be claimed for the year the requirements of

48 Subsection (2) are met;

49 (b) for the first taxable year, is equal to \$200 for each month of employment not to

50 exceed \$2,400 for the taxable year for each recently deployed veteran; and

51 (c) for the second taxable year, is equal to \$400 for each month of employment not to

52 exceed \$4,800 for the taxable year for each recently deployed veteran.

53 (4) A corporation that claims a tax credit under this section shall retain the following

54 for each recently deployed veteran for which a tax credit is claimed under this section:

55 (a) the recently deployed veteran's:

56 (i) name;

57 (ii) taxpayer identification number;

58 (iii) last known address; and

- 59 (iv) start date for the employment;
- 60 (b) documentation provided by the recently deployed veteran's military service unit
- 61 establishing that the recently deployed veteran is a recently deployed veteran;
- 62 (c) a signed statement from the Department of Workforce Services that the recently
- 63 deployed veteran meets the requirements of Subsection (2)(a) regarding unemployment
- 64 benefits; and
- 65 (d) a signed statement that the corporation has employed the recently deployed veteran
- 66 as required under Subsection (2)(b).

67 (5) A corporation shall provide the information described in Subsection (4) to the

68 commission at the request of the commission.

69 (6) A corporation may carry forward a tax credit under this section for a period that

70 does not exceed the next five taxable years if:

- 71 (a) the corporation is allowed to claim a tax credit under this section for a taxable year;
- 72 and
- 73 (b) the amount of the tax credit exceeds the corporation's tax liability under this chapter
- 74 for that taxable year.

75 Section 2. Section **59-10-1029** is enacted to read:

76 **59-10-1029. Nonrefundable tax credit for employing a recently deployed veteran.**

77 (1) As used in this section, "recently deployed veteran" means an individual who:

78 (a) was mobilized to active federal military service in:

79 (i) an active component of the United States Armed Forces as defined in Section

80 59-10-1027; or

81 (ii) a reserve component of the United States Armed Forces as defined in Section

82 59-10-1027; and

83 (b) received an honorable or general discharge from active federal military service

84 under Subsection (1)(a) within the two-year period before the date the employment begins.

85 (2) A claimant, estate, or trust may claim a nonrefundable tax credit as provided in this

86 section against a tax under this chapter if the claimant, estate, or trust employs a recently

87 deployed veteran, on or after January 1, 2012, who:

88 (a) (i) is collecting or is eligible to collect unemployment benefits under Title 35A,

89 Chapter 4, Part 4, Benefits and Eligibility; or

90           (ii) within the last two years, has exhausted the unemployment benefits under  
91 Subsection (2)(a)(i); and  
92           (b) works for the claimant, estate, or trust at least 35 hours per week for not less than  
93 45 of the 52 weeks following the recently deployed veteran's start date for the employment.  
94           (3) A tax credit:  
95           (a) earned under this section shall be claimed for the year the requirements of  
96 Subsection (2) are met;  
97           (b) for the first taxable year, is equal to \$200 for each month of employment not to  
98 exceed \$2,400 for the taxable year for each recently deployed veteran; and  
99           (c) for the second taxable year, is equal to \$400 for each month of employment not to  
100 exceed \$4,800 for the taxable year for each recently deployed veteran.  
101           (4) A claimant, estate, or trust that claims a tax credit under this section shall retain the  
102 following for each recently deployed veteran for which a tax credit is claimed under this  
103 section:  
104           (a) the recently deployed veteran's:  
105           (i) name;  
106           (ii) taxpayer identification number;  
107           (iii) last known address; and  
108           (iv) start date of the employment;  
109           (b) documentation provided by the recently deployed veteran's military service unit  
110 establishing that the recently deployed veteran is a recently deployed veteran;  
111           (c) a signed statement from the Department of Workforce Services that the recently  
112 deployed veteran meets the requirements of Subsection (2)(a) regarding unemployment  
113 benefits; and  
114           (d) a signed statement that the claimant, estate, or trust has employed the recently  
115 deployed veteran as required under Subsection (2)(b).  
116           (5) At the request of the commission, a claimant, estate, or trust shall provide the  
117 information described in Subsection (4) to the commission.  
118           (6) A claimant, estate, or trust may carry forward a tax credit under this section for a  
119 period that does not exceed the next five taxable years if:  
120           (a) the claimant, estate, or trust is allowed to claim a tax credit under this section for a

121 taxable year; and  
122 (b) the amount of the tax credit exceeds the claimant, estate, or trust's tax liability  
123 under this chapter for that taxable year.  
124 Section 3. **Retrospective operation.**  
125 This bill has retrospective operation for a taxable year beginning on or after January 1,  
126 2012.

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**Legislative Review Note**  
**as of 1-31-12 9:50 AM**

**Office of Legislative Research and General Counsel**