

1  
2  
3  
4  
5  
6  
  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16

H.275

Introduced by Committee on Commerce and Economic Development

Date:

Subject: Commerce and trade; taxation; veterans

Statement of purpose: This bill proposes to provide a tax credit to an employer who hires a recently deployed, unemployed veteran.

An act relating to the recently deployed veteran tax credit

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 32 V.S.A. chapter 151, subchapter 11N is added to read:

Subchapter 11N. Recently Deployed Veteran

Tax Credit

§ 5930nn. RECENTLY DEPLOYED VETERAN TAX CREDIT

(a) A qualified employer shall be eligible for a 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 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 credit against the income tax liability imposed under this chapter in an amount equal to \$2,000.00 for expenses associated with one start-up business. A credit under this subsection may only be taken for a business started on or before December 31, 2012, that is located within Vermont, and that shows a net profit for the year in which the credit is taken.

~~(b)~~ (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.

1 ~~(c)~~ (d) In this section:

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

3 (A) who works at least 35 hours per week for not less than 45 of the  
4 52 weeks following the individual's date of hire;

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

9 (C) who at the time of hire:

10 (i) is collecting or eligible to collect unemployment benefits; or

11 (ii) has 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.*

12 (2) "Qualified employer" means a person who:

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

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

1           (3) “Recently deployed veteran” means an individual who:

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

4                   (ii) was mobilized to active, federal military service while a  
5           member of the Vermont National Guard or other reserve unit located in  
6           Vermont, regardless of the resident’s home of record; and

7                   (B) received an honorable or general discharge from active, federal  
8           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:*

*(i) is collecting or eligible to collect unemployment benefits; or*

*(ii) has exhausted his or her unemployment benefits.*

*(4) “Expense associated with a start-up business” means the following expenses:*

*(i) Expenses associated with the development of a business plan;*

*(ii) Professional services associated with the formation of the business (e.g., attorney and accounting services);*

*(iii) An analysis or survey of potential markets, products, labor supply, or transportation facilities;*

*(iv) Advertisements for the opening of the business;*

*(v) Salaries and wages for employees who are being trained and their instructors;*

*(vi) Travel and other necessary costs for securing prospective distributors, suppliers, or customers;*

*(vii) Salaries and fees for executives and consultants, or for similar professional services.*

~~(d)~~ *(e)* The department of labor, coordinating with the department of taxes, the agency of commerce and community development, and the office of veterans' affairs, shall:

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

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

(3) establish a procedure 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 requirements to claim the  
credit authorized under this section;

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

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

12       Sec. 2. EFFECTIVE DATE

13       This act shall take effect on passage.