

VETERAN EMPLOYMENT TAX CREDIT

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Don L. Ipson

Senate Sponsor: _____

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

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) ~~H~~→ (i) ←~~H~~ ; 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 ~~H~~→ [for] beginning in ←~~H~~ the year the

47a 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; ~~H~~→ [and] ←~~H~~

59 (iv) start date for the employment; ~~H→~~ and
 59a (v) documentation establishing that the recently deployed veteran was employed as required
 59b under Subsection (2)(b); ~~←H~~

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; ~~H→~~ and ~~←H~~

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 ~~H→~~ [~~;~~ and

65 — ~~(d) a signed statement that the corporation has employed the recently deployed veteran~~
 66 ~~as required under Subsection (2)(b)] ~~←H~~ .~~

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 ~~H→~~ [for] beginning in ~~←H~~ the year the
 95a 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; ~~H→~~ [and] ~~←H~~

108 (iv) start date of the employment; ~~H→~~ and

108a (v) **documentation establishing that the recently deployed veteran was employed as**
 108b **required under Subsection (2)(b); ~~←H~~**

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; ~~H→~~ and ~~←H~~

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 ~~H→~~ [; 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)] ~~←H~~ .~~

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.

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

Office of Legislative Research and General Counsel