

VETERAN EMPLOYMENT TAX CREDIT

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Don L. Ipson

Senate Sponsor: Stephen H. Urquhart

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:

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

(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)(i); 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 beginning in 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;
59 (iv) start date for the employment; and
60 (v) documentation establishing that the recently deployed veteran was employed as
61 required under Subsection (2)(b);

62 (b) documentation provided by the recently deployed veteran's military service unit
63 establishing that the recently deployed veteran is a recently deployed veteran; and

64 (c) a signed statement from the Department of Workforce Services that the recently
65 deployed veteran meets the requirements of Subsection (2)(a) regarding unemployment
66 benefits.

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 beginning in 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;

108 (iv) start date of the employment; and

109 (v) documentation establishing that the recently deployed veteran was employed as
110 required under Subsection (2)(b);

111 (b) documentation provided by the recently deployed veteran's military service unit
112 establishing that the recently deployed veteran is a recently deployed veteran; and

113 (c) a signed statement from the Department of Workforce Services that the recently

114 deployed veteran meets the requirements of Subsection (2)(a) regarding unemployment
115 benefits.

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.