

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 10  
**Version:** As introduced

**DATE:** January 23, 2015

**Authors:** Wills and others

**Subject:** Income tax credit for employers who hire veterans

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### Overview

Provides employers with a nonrefundable income tax credit for hiring qualified veterans. The credit equals ten percent of the wages paid to the veteran, and the maximum credit is \$3,000 for each disabled veteran hired, \$1,500 for each unemployed veteran hired, and \$500 for each other veteran hired.

#### Section

##### **1 Veterans jobs tax credit.**

**Subd. 1. Definitions.** Defines terms used in determining the veterans jobs credit.

“Qualified employee” excludes individuals who are not Minnesota residents on the date of hire, or who own a controlling interest in the company for which they are employed, or who are immediate family members of the business owner(s).

“Qualified employer” means an employer who hires a veteran, including disabled and unemployed veterans, as well as other veterans.

“Disabled veteran” is a veteran with a service connected disability rating from the USVA.

“Unemployed veteran” is a veteran who has received unemployment compensation at any time within two years preceding the date of hire and who was unemployed when hired.

## **Section**

“Veteran” has the meaning given in section 197.447.

“Date of hire” means the date on which the veteran begins working for the employer.

**Subd. 2. Credit allowed.** Allows a qualified employer to claim a credit for each veteran hired during the taxable year.

**Subd. 3. Credit amount.** The credit equals ten percent of wages paid to a veteran during the taxable year, up to a maximum of:

- ▶ \$3,000 for a disabled veteran
- ▶ \$1,500 for an unemployed veteran
- ▶ \$500 for any other veteran

Disallows the credit if the employer currently employs or has previously employed the veteran.

**Subd. 4. Flow-through entities.** Provides for credits paid to employers that are organized as flow-through entities (partnerships, S corporations, and the like) to be passed through to the individual owners based on their pro rata shares of the business or as specified in the entity’s organizational documents.

**Effective Date:** Tax year 2015.