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Subject: Income tax credit for employers who hire disabled or unemployed 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, and \$1,500 for each unemployed 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 one year 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

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 2017.