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**SENATE BILL NO. 831**

Offered January 9, 2013

Prefiled December 28, 2012

A *BILL to amend the Code of Virginia by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11, relating to tax credits for employing certain military veterans.*

Patrons—Puller; Delegate: Ramadan

Referred to Committee on Finance

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding in Article 13 of Chapter 3 of Title 58.1 a section numbered 58.1-439.12:11 as follows:**

**§ 58.1-439.12:11. Tax credit for employing certain military veterans.**

A. For taxable years beginning on or after January 1, 2013, but before January 1, 2018, a taxpayer shall be allowed a credit against the tax levied pursuant to § 58.1-320 or 58.1-400 for each new full-time job created by the taxpayer (i) paying an annual salary of at least \$50,000 and (ii) for which a veteran is hired. The amount of the credit for the taxable year shall be (a) \$500 for each new full-time job paying an annual salary of at least \$50,000 for which a returning military veteran is hired and (b) \$1,000 for each new full-time job paying an annual salary of at least \$50,000 for which a disabled military veteran is hired.

The credit shall be allowed for the first taxable year in which the new full-time job is continuously filled throughout the year by a veteran and for each of the four succeeding taxable years, provided the job is continuously filled throughout the respective year by a veteran. However, no credit shall be allowed under this section for the taxable year if the number of full-time jobs for which the taxpayer is the employer for the taxable year is less than the base year employment.

B. As used in this section, unless the context requires a different meaning:

"Base year employment" means the average annual number of full-time jobs for which the taxpayer is the employer for the immediately preceding three taxable years of the taxpayer.

"Disabled military veteran" means any person who (i) is rated by the U.S. Department of Veterans Affairs or its successor agency pursuant to federal law as having at least a 50 percent service-connected disability and (ii) was unemployed for at least six months in the calendar year immediately preceding the date on which the person was hired to fill a new full-time job.

"Full-time job" means a job in the Commonwealth of an indefinite duration, for which the taxpayer is the employer and for which the standard fringe benefits are paid by the taxpayer, requiring a minimum of either (i) 35 hours of an employee's time per week for the entire normal year of such taxpayer's operations, which "normal year" must consist of at least 48 weeks, or (ii) 1,680 hours per year. Seasonal or temporary positions and positions created when a job function is shifted from an existing location in the Commonwealth shall not qualify as full-time jobs.

"Returning military veteran" means any person who served on active duty on or after September 1, 2001, but not including any person who first served on active duty on or after January 1, 2015.

"Veteran" means a disabled military veteran or a returning military veteran.

C. To qualify for the tax credit provided in subsection A, a taxpayer shall demonstrate that the new full-time job was created by the taxpayer, and that such job was continuously filled in the Commonwealth during the respective taxable year.

D. A taxpayer shall not be allowed a tax credit pursuant to this section for any employee or job for which the taxpayer (i) is allowed a major business facility job tax credit pursuant to § 58.1-439, (ii) is allowed a green job creation tax credit pursuant to § 58.1-439.12:05, or (iii) receives an enterprise zone job creation grant pursuant to § 59.1-547.

E. The amount of the credit shall not exceed the total amount of tax imposed by this chapter upon the taxpayer for the taxable year. Any credit not usable for the taxable year for which the credit was allowed may be carried over for credit against the income taxes of the taxpayer in the next five succeeding taxable years or until the total amount of the tax credit has been taken, whichever is sooner.

F. Credits granted to a partnership, limited liability company, or electing small business corporation (S corporation) shall be allocated to the individual partners, members, or shareholders, respectively, in proportion to their ownership or interest in such business entities.

G. The Tax Commissioner shall develop guidelines implementing the provisions of this section. Such guidelines shall be exempt from the provisions of the Administrative Process Act (§ 2.2-4000 et seq.).

INTRODUCED

SB831