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 9-11 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 disabled, unemployed, or 9-11 veteran.

“Disabled veteran” is a veteran with a compensable service-connected disability as determined by the U.S. Veterans Administration or any branch of the military.

“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.

“9-11 veteran” is a veteran who was in active service in combat zone, qualified hazardous duty area, or area eligible for combat zone tax benefits due to its role as a supporting area for a combat zone, at any time on or after September 11, 2001.
“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 for hiring certain veterans. Allows a qualified employer who is otherwise required to file an individual or corporate franchise tax to claim a credit for each disabled, unemployed, or 9-11 veteran hired during the taxable year.

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 a 9-11 veteran.

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

Subd. 3. 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.