

Subject Veterans Jobs Tax Credit

Authors Gunther and others

Analyst Christopher Kleman
Sean Williams

Date February 1, 2019

Overview

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

Summary

Section	Description
1	<p>Veterans jobs tax credit.</p> <p>Subd. 1. Definitions. (a) Defines terms used in determining the veterans jobs credit.</p> <p>(b) “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).</p> <p>(c) “Qualified employer” means an employer who hires a veteran, including disabled and unemployed veterans, as well as other veterans.</p> <p>(d) “Disabled veteran” is a veteran with a service connected disability rating from the USVA.</p> <p>(e) “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.</p> <p>(f) “Veteran” has the meaning given in section 197.447.</p> <p>(g) “Date of hire” means the date on which the veteran begins working for the employer.</p>

Section	Description
	<p>Subd. 2. Credit for hiring certain veterans. Allows a qualified employer to claim a nonrefundable credit for each disabled or unemployed veteran hired during the taxable year.</p>
	<p>The credit equals ten percent of wages paid to a veteran during the taxable year, up to a maximum of:</p>
	<ul style="list-style-type: none">• \$3,000 for a disabled veteran• \$1,500 for an unemployed veteran
	<p>Disallows the credit if the employer currently employs or has previously employed the veteran.</p>
	<p>Subd. 3. Pass-through entities. Provides for credits paid to employers that are organized as pass-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.</p>
	<p>Effective date: Tax year 2019.</p>



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155