

Senate Bill 133

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SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows credit against income taxes for employment of qualified military veterans.
Applies to tax years beginning on or after January 1, 2013, and before January 1, 2019.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to tax credits for employment of qualified military veterans; and prescribing an effective
3 date.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Sections 2 and 3 of this 2013 Act are added to and made a part of ORS**
6 **chapter 315.**

7 **SECTION 2. (1) As used in this section, "qualified military veteran" means an individual:**

8 (a) **Who is hired within two years, not counting time spent by the individual in a reha-**
9 **ilitation or higher education setting that is likely to assist the individual in job performance,**
10 **of receipt of an honorable discharge from a branch of the Armed Forces of the United States**
11 **or of deactivation orders under Title 10 of the United States Code under honorable condi-**
12 **tions;**

13 (b) **Who, after the effective date of this 2013 Act, is employed by a taxpayer for at least**
14 **900 hours over at least 30 weeks by the close of the tax year for which the credit allowed**
15 **under this section is claimed;**

16 (c) **Who commences employment by the taxpayer not more than two calendar years be-**
17 **fore the close of the tax year for which the credit allowed under this section is claimed; and**

18 (d) **Who was not previously employed by the taxpayer prior to the individual's deploy-**
19 **ment.**

20 (2) **An employer shall be allowed a credit against the taxes that are otherwise due under**
21 **ORS chapter 316 or, if the employer is a corporation, under ORS chapter 317 or 318 for the**
22 **employment of qualified military veterans.**

23 (3) **The credit allowed under this section shall equal:**

24 (a) **\$1,000 per qualified military veteran employed by the taxpayer, if the qualified military**
25 **veteran is employed for at least 1,560 hours over 52 weeks during the period for which the**
26 **credit is claimed; or**

27 (b) **\$19 multiplied by the number of weeks during which the qualified military veteran is**
28 **employed by the taxpayer for at least 30 hours, for any qualified military veteran who does**
29 **not meet the requirements of paragraph (a) of this subsection.**

30 (4)(a) **A taxpayer may claim the credit allowed under this section for only one tax year**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted.
New sections are in **boldfaced** type.

1 for each qualified military veteran.

2 (b) Only one taxpayer may claim the credit allowed under this section for each qualified
3 military veteran in any tax year.

4 (5) The credit allowed under this section may not exceed the tax liability of the taxpayer.

5 (6) Any tax credit otherwise allowable under this section that is not used by the taxpayer
6 in a particular tax year may be carried forward and offset against the taxpayer's tax liability
7 for the next succeeding tax year. Any credit remaining unused in the next succeeding tax
8 year may be carried forward and used in the second succeeding tax year, and likewise, any
9 credit not used in that second succeeding tax year may be carried forward and used in the
10 third succeeding tax year, but may not be carried forward for any tax year thereafter.

11 (7) A nonresident taxpayer is allowed the credit under this section in the proportion
12 provided in ORS 316.117.

13 (8) If a change in the status of a taxpayer from resident to nonresident or from nonres-
14 ident to resident occurs, the credit allowed by this section shall be determined in a manner
15 consistent with ORS 316.117.

16 (9) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or
17 if the Department of Revenue terminates the taxpayer's taxable year under ORS 314.440, the
18 credit allowed under this section shall be prorated or computed in a manner consistent with
19 ORS 314.085.

20 **SECTION 3.** (1) The Department of Veterans' Affairs shall establish by rule standards
21 and procedures for determining the eligibility of taxpayers to claim the credit allowed under
22 section 2 of this 2013 Act. The department may establish standards for determining whether
23 an individual is a qualified military veteran, as defined in section 2 of this 2013 Act.

24 (2) The taxpayer shall maintain any documents received by the taxpayer in connection
25 with the receipt of a tax credit under section 2 of this 2013 Act, including documents in
26 support of an eligibility determination made pursuant to subsection (1) of this section, in the
27 records of the taxpayer for the length of time prescribed by the Department of Revenue and
28 shall provide a copy of the documents to the Department of Revenue if requested.

29 **SECTION 4.** Sections 2 and 3 of this 2013 Act apply to tax years beginning on or after
30 January 1, 2013, and before January 1, 2019.

31 **SECTION 5.** This 2013 Act takes effect on the 91st day after the date on which the 2013
32 regular session of the Seventy-seventh Legislative Assembly adjourns sine die.
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