

# House Bill 2839

Sponsored by Representative EVANS; Representatives BARKER, CLEM, FREDERICK, GILLIAM, HELM, HUFFMAN, LIVELY, MCLAIN, NOSSE, RAYFIELD, WITT

## 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, 2015, and before January 1, 2021.  
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 2015 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 **who:**

9 (a) **Is hired within seven years of receipt of an honorable discharge from a branch of the**  
10 **Armed Forces of the United States or of deactivation orders under Title 10 of the United**  
11 **States Code under honorable conditions;**

12 (b) **Is employed by a taxpayer for at least 1,000 hours during each tax year for which the**  
13 **credit allowed under this section is claimed;**

14 (c) **Commences employment by the taxpayer not more than two calendar years before the**  
15 **close of the tax year for which the credit allowed under this section is initially claimed; and**

16 (d) **Was not previously employed by the taxpayer prior to the individual's deployment.**

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

20 (3)(a) **For an employer with 100 or fewer employees at any time during the first tax year**  
21 **for which the credit is initially claimed, the credit allowed under this section shall equal**  
22 **\$1,000 per qualified military veteran employed by the taxpayer, and shall increase by \$100 for**  
23 **each consecutive tax year that the credit is allowed, but may not exceed \$1,500 for any tax**  
24 **year.**

25 (b) **For an employer other than an employer described in paragraph (a) of this subsection,**  
26 **the credit allowed under this section shall equal \$750 per qualified military veteran employed**  
27 **by the taxpayer, and shall increase by \$100 for each consecutive tax year that the credit is**  
28 **allowed, but may not exceed \$1,250 for any tax year.**

29 (4) **Only one taxpayer may claim the credit allowed under this section for each qualified**  
30 **military veteran in any 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 (5) The credit allowed under this section may not exceed the tax liability of the taxpayer.

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

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

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

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

17 **SECTION 3.** (1) The Department of Veterans' Affairs shall establish by rule standards  
18 and procedures for determining the eligibility of taxpayers to claim the credit allowed under  
19 section 2 of this 2015 Act. The department may establish standards for determining whether  
20 an individual is a qualified military veteran as defined in section 2 of this 2015 Act.

21 (2) The taxpayer shall maintain any documents received by the taxpayer in connection  
22 with the receipt of a tax credit under section 2 of this 2015 Act, including documents in  
23 support of an eligibility determination made pursuant to subsection (1) of this section, in the  
24 records of the taxpayer for the length of time prescribed by the Department of Revenue and  
25 shall provide a copy of the documents to the Department of Revenue if requested.

26 **SECTION 4.** Sections 2 and 3 of this 2015 Act apply to tax years beginning on or after  
27 January 1, 2015, and before January 1, 2021.

28 **SECTION 5.** This 2015 Act takes effect on the 91st day after the date on which the 2015  
29 regular session of the Seventy-eighth Legislative Assembly adjourns sine die.

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