

## HB 2887 -1 STAFF MEASURE SUMMARY

### House Committee On Veterans and Emergency Preparedness

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**Prepared By:** Bradley Volk, LPRO Analyst

**Sub-Referral To:** House Committee On Revenue

**Meeting Dates:** 3/16, 4/11

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#### WHAT THE MEASURE DOES:

Creates a personal and corporate income tax credit for employers who hire qualifying military veterans. Permits employers with 100 or less employees a tax credit of \$1000 per qualifying veteran per tax year, increasing \$100 per year, not to exceed \$1500. Permits all other employers \$750 per qualifying veteran per tax year, increasing \$100 per year, not to exceed \$1250. Authorizes rulemaking by the Oregon Department of Veterans' Affairs. Applies to tax years beginning on or after January 1, 2017, and before January 1, 2023. Takes effect 91st day after *sine die*.

*FISCAL: May have fiscal impact*

*REVENUE: May have revenue impact*

#### ISSUES DISCUSSED:

##### EFFECT OF AMENDMENT:

-1 Establishes that an employer will be allowed the income tax credit provided the employer pays the qualified military veteran at least \$1 more than the prevailing minimum wage. Directs that the employer claiming the credit retain the United States Department of Defense discharge form of the qualified military veteran. Allows an employer to claim the credit for up to three tax years.

##### BACKGROUND:

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to private businesses and certain non-profit organizations for hiring certain individuals, including veterans, who may face barriers to employment. The WOTC only applies to new employees and is a one-time credit per employer for hiring persons from targeted populations. There is currently no tax credit exclusively for hiring veterans.

House Bill 2887 creates a personal and corporate credit against income taxes for hiring qualified veterans, of \$750 to \$1000 per veteran depending on the size of the employer. The tax credit increases annually up to \$1250 and \$1500, respectively.