

MAINE STATE LEGISLATURE

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126th MAINE LEGISLATURE

FIRST REGULAR SESSION-2013

Legislative Document

No. 341

H.P. 246

House of Representatives, February 12, 2013

**An Act To Provide a Tax Credit to Employers That Hire Certain
Veterans**

Reference to the Committee on Taxation suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative WILSON of Augusta.
Cosponsored by Senator PLUMMER of Cumberland and
Representatives: DUNPHY of Embden, KNIGHT of Livermore Falls, MAKER of Calais,
McCLELLAN of Raymond, NADEAU of Fort Kent, NUTTING of Oakland, POULIOT of
Augusta, WILLETTE of Mapleton.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 36 MRSA §5219-II** is enacted to read:

3 **§5219-II. Veterans employment tax credit**

4 **1. Definitions.** As used in this section, unless the context otherwise indicates, the
5 following terms have the following meanings.

6 A. "Qualified compensation" means a stipend, hourly wage or salary paid for
7 services rendered in an employment position held by a qualified veteran and excludes
8 payment in a medium other than legal tender, such as meals provided at the
9 employer's expense.

10 B. "Qualified employer" means an employing unit, as defined in Title 26, section
11 1043, subsection 10, located in this State that hires and employs one or more
12 qualified veterans.

13 C. "Qualified military service" means military service for which a veteran received
14 the Afghanistan Campaign Medal, the Iraq Campaign Medal, the Global War on
15 Terrorism Expeditionary Medal or the Global War on Terrorism Service Medal.

16 D. "Qualified veteran" means a person who is a resident of this State who engaged in
17 qualified military service, or a nonresident who, as a member of the Maine National
18 Guard, engaged in qualified military service, and who has provided to a qualified
19 employer documentation showing that that person was honorably discharged or is a
20 current member of the National Guard or Reserves of the United States Armed Forces
21 and who was initially hired by the qualified employer on or after January 1, 2013 and
22 prior to January 1, 2017.

23 E. "Sustained employment" means employment for a period that is not less than 185
24 days during the taxable year.

25 **2. Credit allowed.** For tax years beginning on or after January 1, 2013 but before
26 January 1, 2017, a qualified employer is allowed a credit against the tax imposed by this
27 Part subject to the qualifications in this subsection and the limitations in subsection 3.

28 A. The amount of the credit to which a qualified employer is entitled is 10% of the
29 qualified compensation, up to \$1,500, paid by the qualified employer to a qualified
30 veteran in the course of sustained employment.

31 B. A qualified employer may claim the credit for the taxable year in which a
32 qualified veteran is hired and for the 2 following taxable years of the qualified
33 veteran's sustained employment.

34 **3. Limitations.** The credit under this section may not reduce the tax otherwise due
35 under this Part to less than zero.

36 **4. Repeal.** This section is repealed January 1, 2019.

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SUMMARY

This bill provides a nonrefundable income tax credit to qualified employers that hire qualified veterans in an amount equal to 10% of each veteran's compensation, up to \$1,500, as long as the veteran is employed for not less than 185 days in the taxable year. The credit may be claimed in the taxable year in which a qualified veteran is hired and the 2 following taxable years of sustained employment. The credit applies to veterans hired on or after January 1, 2013 and before January 1, 2017 and expires January 1, 2019.