



Expanded Tax Credit for Hiring Vets Passes Senate

The VOW to Hire Heroes Act of 2011 was passed by the US Senate yesterday as an amendment to HR 674, which had been introduced to repeal the 3 percent withholding on certain payments made to vendors by government entities. See <http://www.gpo.gov/fdsys/pkg/BILLS-112hr674eas/pdf/BILLS-112hr674eas.pdf>

The bill as passed by the Senate includes new provisions in Subtitle E that add a “returning heroes and wounded warriors work opportunity tax credit”. The bill increases the wages against which a credit may be taken in different levels where the individual has had an aggregate period of unemployment during the 1 year period ending on the hiring date which equals or exceeds 4 weeks, but is less than 6 months; or had an aggregate period of unemployment during the 1 year period ending on the hiring date which equaled or exceeded 6 months.

The general policy is to increase the wages against which the credit may be taken from \$12,000 to \$14,000 or \$24,000 depending on the length of unemployment before the hire date, to encourage employers to hire longer term unemployed veterans. See Page 45 of the bill linked above.

The bill passed overwhelmingly in the Senate the day before Veterans’ day and will be sent back to the House requesting agreement in Senate amendments. There is broad support for assistance for Veterans, so there is a good chance that legislation in some form will be approved by the end of the year. The House could concur in the amendments, but may also further amend the bill and send it back to the Senate before final agreement is reached.