



OLR RESEARCH REPORT

January 31, 2012

2012-R-0079

INCENTIVE PROGRAMS FOR HIRING VETERANS

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You asked about federal and state incentive programs for businesses to hire veterans in Connecticut.

SUMMARY

In 2011, both Congress and Connecticut's legislature enacted laws to expand or create tax credits for businesses that hire veterans. The federal law provides a tax credit for businesses that hire veterans who have been unemployed for at least four weeks or who are receiving Supplemental Nutrition Assistance Program (SNAP) benefits. A larger credit is given to businesses that hire a veteran who was unemployed for six months or longer or has a service-connected disability. The state law provides a credit for businesses who hire an unemployed veteran.

Since 2005, the Connecticut Department of Labor's (DOL) Office for Veterans Workforce Development has been responsible for assisting Connecticut veterans and businesses to connect on the job front, including administering grant programs for businesses that hire veterans. Descriptions of these programs follows.

We contacted DOL for additional information on how it assists veterans and will provide further information when it is available.

FEDERAL AND STATE TAX CREDITS

Federal

On November 21, 2011, the president signed the [Vow to Hire Heroes Act of 2011 into law \(P.L. 112-56\)](#). This law, among other things, creates new tax credit incentives and extends existing ones by expanding the target group of qualified veterans.

Under federal law as amended by section 261 of the act, “Returning Heroes and Wounded Warriors Work Opportunity Tax Credits,” businesses (including tax-exempt organizations) may earn a tax credit of 40% of the first:

1. \$6,000 of wages (up to \$2,400) for employers that hire veterans who (a) have been unemployed at least 4 weeks or (b) receive SNAP benefits;
2. \$14,000 of wages (up to \$5,600) for businesses that hire veterans unemployed longer than six months;
3. \$12,000 of wages (up to \$4,800) for generally hiring veterans with service-connected disabilities; and
4. \$24,000 of wages (up to \$9,600) for firms that hire veterans with service-connected disabilities who have been unemployed longer than six months (26 USC § 51, as amended by P.L. 112-56).

According to U.S. [DOL](#), within 28 days of hiring a veteran, a business must submit certain Internal Revenue Service and U.S. Department of Labor “Employment and Training Administration” forms to the local [WOTC coordinator for certification](#).

The program applies to veterans hired by December 31, 2012. To view the text of the act, visit here: <http://www.gpo.gov/fdsys/pkg/PLAW-112publ56/pdf/PLAW-112publ56.pdf>.

Connecticut

PA 11-1, OSS, An Act Promoting Economic Growth and Job Creation in the State, replaces three existing job creation tax credit programs with a new job expansion credit, among other things, for businesses that create new jobs and hire certain Connecticut residents to fill them, including a larger credit for businesses that hire veterans.

It provides a three-year tax credit against the insurance premium, corporation business, utility company, or personal income tax for businesses.

The act provides a higher tax credit (\$900 per month) to businesses that hire a current armed forces member (e.g., a reservist) or one who was honorably discharged or released from active service to a newly created position. The regular job expansion credit is \$500 per month for each new employee that lives in Connecticut. The higher rate also applies to a new employee who is receiving:

1. unemployment compensation benefits or has not had a full-time job since exhausting his or her unemployment benefits or
2. vocational rehabilitation services from the Bureau of Rehabilitative Services.

To claim the credits, businesses must apply to the Department of Economic and Community Development for a certification letter.

Eligible Companies and Jobs. A business qualifies for the credit only for jobs it creates between January 1, 2012 and January 1, 2014. To be eligible, the business must (1) have been in business for 12 consecutive months prior to its credit application and (2) be subject to any of the taxes to which the credit applies. In addition, the job to which the credit applies must (1) not have existed in Connecticut before the application and (2) be filled by an eligible employee.

Businesses with 50 or fewer employees qualify for the credit if they create at least one new job; those with 51 to 100 employees, if they create at least five; and those with more than 100 employees, at least 10. The number of full-time employees the business employs in Connecticut on the date it applies for the credit (1) must be used to determine the number it must hire to qualify for the credit and (2) applies for the credit certificate's duration.

CONNECTICUT'S "HIRE VETERANS FIRST" INITIATIVE

The Connecticut DOL's Office for Veterans Workforce Development administers programs as part of its "Hire Veterans First" initiative that provide grants to businesses hiring veterans to defray the cost of training and wages. The initiative also assists veterans in obtaining an [apprenticeship](#) (and helps businesses find suitable candidates), reaches out to businesses to assist them in recruiting veterans, and includes job

fairs around the state, among other things. The Office for Veterans Workforce Development has satellite offices around the state to assist veterans (see below).

On-the-Job-Training (OJT) Program

The OJT Program allows participating businesses, which hire veterans, to train them at the work site using other skilled employees as instructors with DOL reimbursing 50% of the new employees' starting wages to offset training costs. Reimbursement lasts two to nine months. DOL designs an OJT program to meet a business' needs and the new employee is trained to specific work requirements. Connecticut's DOL administers the program using federal Trade Adjustment Assistance Act funds. More information is available here:

<http://www.ctdol.state.ct.us/veterans/HireVetsFirst/OJT-Grants.pdf>.

Training Grants

Under this program, businesses that hire veterans receive 50% of eligible training costs, which must involve significant improvements to the profitability and global competitiveness of a business, according to DOL. Eligible improvements include new innovations, technologies, or production equipment. Eligible businesses include those in healthcare, advanced manufacturing, finance and information technology, retail, creative industries, maritime industries, and construction. Businesses with the likelihood of high growth receive priority for the grants according to DOL. More information is available at the website:

<http://www.ctdol.state.ct.us/veterans/HireVetsFirst/Business-Grants.pdf>.

Other Services

DOL's Office of Veterans Workforce Development has available Local veterans employment representatives (LVERs) to assist veterans with employment and training needs. LVERs are responsible for veterans programs in local employment offices and offer case management and counseling services to veterans. They provide workshops on resumes and cover letters. LVERs are located in Bridgeport, Hamden, Hartford, New Britain, New London, and Waterbury. DOL also has disabled veterans outreach program specialists who provide case management, vocational guidance, and counseling services to disabled veterans in the local employment offices.

More information on this and all veteran workforce programs is available at:
<http://www.ctdol.state.ct.us/veterans/HireVetsFirst/HireVets.htm> or by visiting www.ctvets.org.

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