

SENATE BILL SB-9

Introduced by Senator Jerry McNerney (D-5)

An act relating to Veterans Employment Tax Credit Act.

LEGISLATIVE COUNSEL'S DIGEST

SB-9, Jerry McNerney (D-5). Veterans Employment Tax Credit Act.

Current legislation permits specific tax incentives for eligible California firms and offers employment and workforce aid to veterans. With a maximum credit of \$5,000 per veteran, this bill would establish a Veterans Employment Tax Credit for companies who hire eligible veterans for full-time employment.

Vote: Majority. **Appropriations/fiscal:** yes. **Local program:** no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. *This act shall be known as the Veterans Employment Tax Credit Act.*

SEC. 2. *For purposes of this act:*

(a) *“Qualified veteran” means an individual who previously served in the United States Armed Forces and was discharged or released under conditions other than dishonorable.*

(b) *“Eligible employer” means a person or business operating in the State of California that hires a qualified veteran.*

(c) *“Full-time employment” means employment averaging at least 30 hours per week.*

(d) *“Qualified wages” means wages paid by an eligible employer to a qualified veteran during the veteran’s first 12 months of employment.*

SEC. 3.

(a) *An eligible employer may claim a state income tax credit for hiring a qualified veteran for full-time employment.*

(b) *The amount of the credit shall equal 20 percent of the qualified wages paid to the veteran during the veteran’s first year of employment.*

(c) *The credit shall not exceed \$5,000 for each qualified veteran hired.*

(d) An employer may claim the credit only after the qualified veteran has remained employed for at least six consecutive months.

(e) An employer may not claim more than one Veterans Employment Tax Credit for the same employee.

SEC. 4.

(a) The Franchise Tax Board shall administer the Veterans Employment Tax Credit and establish procedures for employers to claim the credit.

(b) The Employment Development Department shall assist in verifying qualifying employment and veteran eligibility.

(c) The Franchise Tax Board and Employment Development Department may establish additional procedures necessary to prevent fraudulent claims and administer the program.

SEC. 5.

Every year, the Legislature will receive a report from the Franchise Tax Board detailing the number of employers who filed for the credit, the number of veterans who did so, and the total amount of credits that were filed.

SEC. 6.

This act shall take effect on January 1 following its enactment.