

111<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5400

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged veterans.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2010

Mr. WALZ (for himself and Mr. BOOZMAN) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committee on Armed Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged veterans.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Veteran Employment  
5       Transition Act of 2010”.

1 **SEC. 2. WORK OPPORTUNITY CREDIT FOR CERTAIN RE-**  
2 **CENTLY DISCHARGED VETERANS.**

3 (a) IN GENERAL.—Subparagraph (A) of section  
4 51(d)(3) of the Internal Revenue Code of 1986 is amended  
5 by striking “means any veteran” and all that follows and  
6 inserting “means any recently discharged veteran and any  
7 disadvantaged veteran.”

8 (b) RECENTLY DISCHARGED VETERAN; DISADVAN-  
9 TAGED VETERAN.—Paragraph (3) of section 51(d) of the  
10 Internal Revenue Code of 1986 is amended—

11 (1) by redesignating subparagraphs (B) and  
12 (C) as subparagraphs (D) and (E), respectively, and

13 (2) by inserting after subparagraph (A) the fol-  
14 lowing new subparagraphs:

15 “(B) RECENTLY DISCHARGED VETERAN.—  
16 For purposes of subparagraph (A), the term  
17 ‘recently discharged veteran’ means—

18 “(i) any individual who has served on  
19 active duty (other than active duty for  
20 training) in the Armed Forces of the  
21 United States for more than 180 total  
22 days (whether consecutive or not),

23 “(ii) any individual who has been dis-  
24 charged or released from active duty in the  
25 Armed Forces of the United States for a  
26 service-connected disability, and

1           “(iii) any member of the National  
2           Guard who has served for more than 180  
3           total days (whether consecutive or not)  
4           of—

5                   “(I) active duty (within the  
6                   meaning of title 32, United States  
7                   Code) other than for training,

8                   “(II) full-time National Guard  
9                   duty (within the meaning of such title  
10                  32) other than for training,

11                  “(III) duty, other than inactive  
12                  duty or duty for training, in State  
13                  status (within the meaning of such  
14                  title 32), or

15                  “(IV) any combination of duty  
16                  described in subclause (I), (II), or  
17                  (III),

18           who has been discharged or released from such  
19           duty at any time during the 5-year period end-  
20           ing on the hiring date. Such term shall not in-  
21           clude any unemployed veteran who begins work  
22           for the employer before the date of the enact-  
23           ment of the Veteran Employment Transition  
24           Act of 2010.

1           “(C) DISADVANTAGED VETERAN.—For  
2 purposes of subparagraph (A), the term ‘dis-  
3 advantaged veteran’ means any veteran who is  
4 certified by the designated local agency as—

5           “(i) being a member of a family re-  
6 ceiving assistance under a supplemental  
7 nutrition assistance program under the  
8 Food and Nutrition Act of 2008 for at  
9 least a 3-month period ending during the  
10 12-month period ending on the hiring date,  
11 or

12           “(ii) entitled to compensation for a  
13 service-connected disability, and—

14           “(I) having a hiring date which is  
15 not more than 1 year after having  
16 been discharged or released from ac-  
17 tive duty in the Armed Forces of the  
18 United States, or

19           “(II) having aggregate periods of  
20 unemployment during the 1-year pe-  
21 riod ending on the hiring date which  
22 equal or exceed 6 months.”.

23           (c) CONFORMING AMENDMENTS.—Section 51 of the  
24 Internal Revenue Code of 1986 is amended—

1           (1) by striking “(d)(3)(A)(ii)” in paragraph (3)  
2 of subsection (b) and inserting “(d)(3)(C)(ii)”,

3           (2) by striking “For purposes of subparagraph  
4 (A)” each place it appears in subparagraphs (D)  
5 and (E) of subsection (d)(3), as redesignated by  
6 subsection (b), and inserting “For purposes of sub-  
7 paragraph (C)”,

8           (3) by adding at the end of paragraph (13) of  
9 subsection (d) the following new subparagraph:

10                   “(D) PRE-SCREENING OF RECENTLY DIS-  
11 CHARGED VETERANS.—

12                           “(i) IN GENERAL.—For purposes of  
13 subparagraph (A), the term ‘pre-screening  
14 notice’ shall include any documentation  
15 provided to an individual by the Depart-  
16 ment of Defense or the National Guard  
17 upon release or discharge from the Armed  
18 Forces or from service in the National  
19 Guard which includes information suffi-  
20 cient to establish that such individual is a  
21 recently discharged veteran.

22                           “(ii) ADDITIONAL CERTIFICATION NOT  
23 REQUIRED.—Subparagraph (A) shall be  
24 applied without regard to clause (ii)(II)  
25 thereof in the case of a recently discharged

1                   veteran who provides to the employer docu-  
2                   mentation described in clause (i).”,

3                   (4) by inserting “who begins work for the em-  
4                   ployer after December 31, 2008, and before the date  
5                   of the enactment of the Veteran Employment Tran-  
6                   sition Act of 2010,” after “Any unemployed vet-  
7                   eran” in subparagraph (A) of subsection (d)(14),  
8                   and

9                   (5) by inserting a comma after “during 2009 or  
10                  2010” in subparagraph (A) of subsection (d)(14).

11               (d) EFFECTIVE DATE.—The amendments made by  
12               subsections (a), (b), and (c) shall apply to individuals  
13               whose hiring date (as defined in section 51(d)(11) of the  
14               Internal Revenue Code of 1986) is on or after the date  
15               of the enactment of this Act.

16               (e) DEPARTMENT OF DEFENSE DOCUMENTATION.—

17                   (1) IN GENERAL.—The Department of Defense  
18                   and the National Guard, as applicable, shall pro-  
19                   vide—

20                               (A) to each individual who is discharged or  
21                               released from active duty in the Armed Forces  
22                               of the United States on or after the date of the  
23                               enactment of this Act; and

24                               (B) to each member of the National Guard  
25                               who is released from duty described in section

1           51(d)(3)(B)(iii) of the Internal Revenue Code  
2           of 1986 (as added by this Act) on or after the  
3           date of the enactment of this Act;

4           in addition to the documentation which, without re-  
5           gard to this subsection, is provided at the time of  
6           such discharge or release, documentation described  
7           in paragraph (4). If the documentation which is pro-  
8           vided without regard to this subsection at the time  
9           of the discharge or release described in the pre-  
10          ceding sentence does not include information suffi-  
11          cient to satisfy the requirements of section  
12          51(d)(13)(D)(i) of the Internal Revenue Code of  
13          1986 (as added by this Act), the Department of De-  
14          fense or the National Guard, whichever is applicable,  
15          shall provide additional documentation which in-  
16          cludes such information.

17           (2) INFORMATIONAL BRIEFING.—In the case of  
18          an individual who is discharged or released from  
19          duty described in subparagraph (A) or (B) of para-  
20          graph (1) after the date of the enactment of this  
21          Act, the Department of Defense or the National  
22          Guard, whichever is applicable, shall provide a brief-  
23          ing to such individual before or at the time of such  
24          discharge or release to inform such individual of the  
25          credit for employment of recently discharged vet-

1       erans under section 51 of the Internal Revenue Code  
2       of 1986.

3           (3) REQUEST FOR DOCUMENTATION.—The De-  
4       partment of Defense or the National Guard, which-  
5       ever is applicable, shall provide upon request the  
6       documentation described in paragraph (1) to any in-  
7       dividual who is discharged or released from duty de-  
8       scribed in subparagraph (A) or (B) of paragraph (1)  
9       during the 5-year period preceding and including the  
10      date of the enactment of this Act.

11          (4) INSTRUCTIONS FOR USE OF WORK OPPOR-  
12      TUNITY CREDIT.—The documentation described in  
13      this paragraph is a document which includes—

14           (A) instructions for an individual to ensure  
15           treatment as a recently discharged veteran for  
16           purposes of section 51(d)(3)(B) of the Internal  
17           Revenue Code of 1986 (as added by this Act),

18           (B) instructions for employers detailing the  
19           use of the credit under such section 51 with re-  
20           spect to such individual, and

21           (C) the dates during which the credit  
22           under such section 51 is available.

23      Such instructions shall be developed in collaboration  
24      with the Internal Revenue Service.

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