

113TH CONGRESS  
1ST SESSION

# S. 1624

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit for hiring veterans, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2013

Mr. BLUMENTHAL (for himself, Mr. UDALL of New Mexico, Mr. MERKLEY, Mrs. SHAHEEN, and Mr. CARDIN) introduced the following bill; which was read twice and referred to the Committee on Finance

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## A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit for hiring veterans, and for other purposes.

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 “VOW to Hire Heroes  
5 Extension Act of 2013”.

6 **SEC. 2. EXTENSION OF WORK OPPORTUNITY CREDIT FOR**  
7 **VETERANS.**

8 (a) IN GENERAL.—Subparagraph (B) of section  
9 51(c)(4) of the Internal Revenue Code of 1986 is amended

1 by striking “after December 31, 2013.” and inserting  
2 “after—

3 “(i) December 31, 2017, in the case  
4 of a qualified veteran, and

5 “(ii) December 31, 2013, in the case  
6 of any other individual.”.

7 (b) EFFECTIVE DATE.—The amendment made by  
8 this section shall apply to individuals who begin work for  
9 the employer after December 31, 2013.

10 **SEC. 3. SIMPLIFIED CERTIFICATION OF VETERAN STATUS.**

11 (a) IN GENERAL.—Subparagraph (D) of section  
12 51(d)(13) of the Internal Revenue Code of 1986 is amend-  
13 ed to read as follows:

14 “(D) PRE-SCREENING OF QUALIFIED VET-  
15 ERANS.—

16 “(i) IN GENERAL.—Subparagraph (A)  
17 shall be applied without regard to sub-  
18 clause (II) of clause (ii) thereof in the case  
19 of an individual seeking treatment as a  
20 qualified veteran with respect to whom the  
21 pre-screening notice contains—

22 “(I) qualified veteran status doc-  
23 umentation,

24 “(II) qualified proof of unemploy-  
25 ment compensation, and

1                   “(III) an affidavit furnished by  
2                   the individual stating, under penalty  
3                   of perjury, that the information pro-  
4                   vided under subclauses (I) and (II) is  
5                   true.

6                   “(ii) QUALIFIED VETERAN STATUS  
7                   DOCUMENTATION.—For purposes of clause  
8                   (i), the term ‘qualified veteran status docu-  
9                   mentation’ means any documentation pro-  
10                  vided to an individual by the Department  
11                  of Defense or the National Guard upon re-  
12                  lease or discharge from the Armed Forces  
13                  which includes information sufficient to es-  
14                  tablish that such individual is a veteran.

15                  “(iii) QUALIFIED PROOF OF UNEM-  
16                  PLOYMENT COMPENSATION.—For purposes  
17                  of clause (i), the term ‘qualified proof of  
18                  unemployment compensation’ means, with  
19                  respect to an individual, checks or other  
20                  proof of receipt of payment of unemploy-  
21                  ment compensation to such individual for  
22                  periods aggregating not less than 4 weeks  
23                  (in the case of an individual seeking treat-  
24                  ment under paragraph (3)(A)(iii)), or not  
25                  less than 6 months (in the case of an indi-

1           vidual seeking treatment under clause  
2           (ii)(II) or (iv) of paragraph (3)(A)), during  
3           the 1-year period ending on the hiring  
4           date.”.

5           (b) EFFECTIVE DATE.—The amendment made by  
6 this section shall apply to individuals who begin work for  
7 the employer after the date of the enactment of this Act.

8 **SEC. 4. CREDIT MADE AVAILABLE AGAINST PAYROLL**  
9 **TAXES IN CERTAIN CIRCUMSTANCES.**

10          (a) IN GENERAL.—Paragraph (2) of section 52(c) of  
11 the Internal Revenue Code of 1986 is amended—

12           (1) by striking “QUALIFIED TAX-EXEMPT ORGA-  
13           NIZATIONS” in the heading and inserting “CERTAIN  
14           EMPLOYERS”, and

15           (2) by striking “by qualified tax-exempt organi-  
16           zations” and inserting “by certain employers”.

17          (b) CREDIT ALLOWED TO CERTAIN FOR-PROFIT EM-  
18           PLOYERS.—Subsection (e) of section 3111 of the Internal  
19           Revenue Code of 1986 is amended—

20           (1) by inserting “or a qualified for-profit em-  
21           ployer” after “If a qualified tax-exempt organiza-  
22           tion” in paragraph (1),

23           (2) by striking “with respect to whom a credit  
24           would be allowable under section 38 by reason of

1 section 51 if the organization were not a qualified  
2 tax-exempt organization” in paragraph (1),

3 (3) by inserting “or for-profit employer” after  
4 “employees of the organization” each place it ap-  
5 pears in paragraphs (1) and (2),

6 (4) by inserting “in the case of a qualified tax-  
7 exempt organization,” before “by only taking into  
8 account” in subparagraph (C) of paragraph (3),

9 (5) by inserting “or for-profit employer” after  
10 “the organization” in paragraph (4),

11 (6) by redesignating subparagraph (B) of para-  
12 graph (5) as subparagraph (C) of such paragraph,  
13 by striking “and” at the end of subparagraph (A) of  
14 such paragraph, and by inserting after subpara-  
15 graph (A) of such paragraph the following new sub-  
16 paragraph:

17 “(B) the term ‘qualified for-profit em-  
18 ployer’ means, with respect to a taxable year,  
19 an employer not described in subparagraph (A),  
20 but only if—

21 “(i) such employer does not have prof-  
22 its for any of the 3 taxable years preceding  
23 such taxable year, and

1                   “(ii) such employer elects under sec-  
2                   tion 51(j) not to have section 51 apply to  
3                   such taxable year, and”, and

4                   (7) by striking “has meaning given such term  
5                   by section 51(d)(3)” in subparagraph (C) of para-  
6                   graph (5), as so redesignated, and inserting “means  
7                   a qualified veteran (within the meaning of section  
8                   51(d)(3)) with respect to whom a credit would be al-  
9                   lowable under section 38 by reason of section 51 if  
10                  the employer of such veteran were not a qualified  
11                  tax-exempt organization or a qualified for-profit em-  
12                  ployer”.

13                  (c) TRANSFERS TO FEDERAL OLD-AGE AND SUR-  
14                  VIVORS INSURANCE TRUST FUND.—There are hereby ap-  
15                  propriated to the Federal Old-Age and Survivors Trust  
16                  Fund and the Federal Disability Insurance Trust Fund  
17                  established under section 201 of the Social Security Act  
18                  (42 U.S.C. 401) amounts equal to the reduction in reve-  
19                  nues to the Treasury by reason of the amendments made  
20                  by subsections (a) and (b). Amounts appropriated by the  
21                  preceding sentence shall be transferred from the general  
22                  fund at such times and in such manner as to replicate  
23                  to the extent possible the transfers which would have oc-  
24                  curred to such Trust Fund had such amendments not  
25                  been enacted.

1 (d) EFFECTIVE DATE.—The amendments made by  
2 subsections (a) and (b) shall apply to individuals who  
3 begin work for the employer after the date of the enact-  
4 ment of this Act.

5 **SEC. 5. REPORT.**

6 Not later than 2 years after the date of the enact-  
7 ment of this Act, and annually thereafter, the Commis-  
8 sioner of Internal Revenue, in consultation with the Sec-  
9 retary of Labor, shall report to the Congress on the effec-  
10 tiveness and cost-effectiveness of the amendments made  
11 by sections 2, 3, and 4 in increasing the employment of  
12 veterans. Such report shall include the results of a survey,  
13 conducted, if needed, in consultation with the Veterans'  
14 Employment and Training Service of the Department of  
15 Labor, to determine how many veterans are hired by each  
16 employer that claims the credit under section 51, by rea-  
17 son of subsection (d)(1)(B) thereof, or 3111(e) of the In-  
18 ternal Revenue Code of 1986.

19 **SEC. 6. TREATMENT OF POSSESSIONS.**

20 (a) PAYMENTS TO POSSESSIONS.—

21 (1) MIRROR CODE POSSESSIONS.—The Sec-  
22 retary of the Treasury shall pay to each possession  
23 of the United States with a mirror code tax system  
24 amounts equal to the loss to that possession by rea-  
25 son of the amendments made by this Act. Such

1 amounts shall be determined by the Secretary of the  
2 Treasury based on information provided by the gov-  
3 ernment of the respective possession of the United  
4 States.

5 (2) OTHER POSSESSIONS.—The Secretary of  
6 the Treasury shall pay to each possession of the  
7 United States which does not have a mirror code tax  
8 system the amount estimated by the Secretary of the  
9 Treasury as being equal to the loss to that posses-  
10 sion that would have occurred by reason of the  
11 amendments made by this Act if a mirror code tax  
12 system had been in effect in such possession. The  
13 preceding sentence shall not apply with respect to  
14 any possession of the United States unless such pos-  
15 session establishes to the satisfaction of the Sec-  
16 retary that the possession has implemented (or, at  
17 the discretion of the Secretary, will implement) an  
18 income tax benefit which is substantially equivalent  
19 to the income tax credit in effect after the amend-  
20 ments made by this Act.

21 (b) COORDINATION WITH CREDIT ALLOWED  
22 AGAINST UNITED STATES INCOME TAXES.—The credit  
23 allowed against United States income taxes for any tax-  
24 able year under the amendments made by this Act to sec-  
25 tion 51 of the Internal Revenue Code of 1986 to any per-



1 son with respect to any qualified veteran shall be reduced  
2 by the amount of any credit (or other tax benefit described  
3 in subsection (a)(2)) allowed to such person against in-  
4 come taxes imposed by the possession of the United States  
5 by reason of this section with respect to such qualified  
6 veteran for such taxable year.

7 (c) DEFINITIONS AND SPECIAL RULES.—

8 (1) POSSESSION OF THE UNITED STATES.—For  
9 purposes of this section, the term “possession of the  
10 United States” includes American Samoa, Guam,  
11 the Commonwealth of the Northern Mariana Is-  
12 lands, the Commonwealth of Puerto Rico, and the  
13 United States Virgin Islands.

14 (2) MIRROR CODE TAX SYSTEM.—For purposes  
15 of this section, the term “mirror code tax system”  
16 means, with respect to any possession of the United  
17 States, the income tax system of such possession if  
18 the income tax liability of the residents of such pos-  
19 session under such system is determined by ref-  
20 erence to the income tax laws of the United States  
21 as if such possession were the United States.

22 (3) TREATMENT OF PAYMENTS.—For purposes  
23 of section 1324(b)(2) of title 31, United States  
24 Code, the payments under this section shall be treat-

- 1 ed in the same manner as a refund due from credit
- 2 provisions described in such section.

