

119TH CONGRESS
1ST SESSION

S. 2443

To amend the Internal Revenue Code of 1986 to establish a small business start-up tax credit for veterans creating businesses in underserved communities.

IN THE SENATE OF THE UNITED STATES

JULY 24, 2025

Ms. ROSEN (for herself and Mr. MORAN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to establish a small business start-up tax credit for veterans creating businesses in underserved communities.

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 “Veterans Jobs Oppor-
5 tunity Act”.

6 **SEC. 2. VETERAN SMALL BUSINESS START-UP CREDIT.**

7 (a) IN GENERAL.—Subpart D of part IV of sub-
8 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45BB. VETERAN SMALL BUSINESS START-UP CREDIT.**

4 “(a) IN GENERAL.—For purposes of section 38, the
5 veteran small business start-up credit determined under
6 this section for any taxable year is an amount equal to
7 15 percent of so much of the qualified start-up expendi-
8 tures paid or incurred by the taxpayer during such taxable
9 year with respect to an applicable veteran-owned business
10 as does not exceed \$50,000.

11 “(b) DEFINITIONS.—For purposes of this section—

12 “(1) APPLICABLE VETERAN-OWNED SMALL
13 BUSINESS.—The term ‘applicable veteran-owned
14 small business’ means a small business—

15 “(A) owned and controlled by 1 or more
16 veterans or spouses of veterans, and

17 “(B) the principal place of business of
18 which is in an underserved community.

19 “(2) OWNERSHIP AND CONTROL.—The term
20 ‘owned and controlled’ means—

21 “(A) with respect to any of the individuals
22 described in paragraph (1)(A), that the conduct
23 of any trade or business of the small business
24 is not a passive activity (as defined in section
25 469(c)), and

1 “(B) with respect to the small business—

2 “(i) such small business is a sole pro-
3 prietorship,

4 “(ii) if such small business is a cor-
5 poration, ownership (by vote or value) by
6 the individuals described in paragraph
7 (1)(A) of greater than 50 percent of the
8 stock in such corporation, or

9 “(iii) if such small business is a part-
10 nership, ownership by the individuals de-
11 scribed in paragraph (1)(A) of greater
12 than 50 percent of the profits interests or
13 capital interests in such partnership.

14 “(3) QUALIFIED START-UP EXPENDITURES.—

15 The term ‘qualified start-up expenditures’ means—

16 “(A) any start-up expenditures (as defined
17 in section 195(c)), and

18 “(B) any amounts paid or incurred during
19 the taxable year for the purchase or lease of
20 real property, or the purchase of personal prop-
21 erty, placed in service during the taxable year
22 and used in the active conduct of a trade or
23 business.

24 “(4) SMALL BUSINESS.—

1 “(A) IN GENERAL.—The term ‘small busi-
 2 ness’ means, with respect to any taxable year,
 3 any person engaged in a trade or business in
 4 the United States if—

5 “(i) the gross receipts of such person
 6 for the preceding taxable year did not ex-
 7 ceed \$5,000,000, or

8 “(ii) in the case of a person to which
 9 clause (i) does not apply, such person em-
 10 ployed not more than 50 full-time employ-
 11 ees during the preceding taxable year.

12 “(B) FULL-TIME EMPLOYEE.—For pur-
 13 poses of subparagraph (A)(ii), an employee
 14 shall be considered full-time if such employee is
 15 employed at least 30 hours per week for 20 or
 16 more calendar weeks in the taxable year.

17 “(5) UNDERSERVED COMMUNITY.—The term
 18 ‘underserved community’ means any area located
 19 within—

20 “(A) a HUBZone (as defined in section
 21 3(p) of the Small Business Act (15 U.S.C.
 22 632(p)), as in effect on the date of enactment
 23 of this section),

24 “(B) an empowerment zone, or enterprise
 25 community, designated under section 1391 (and

1 without regard to whether or not such designa-
 2 tion remains in effect),

3 “(C) an area of low income or moderate in-
 4 come (as recognized by the Federal Financial
 5 Institutions Examination Council), or

6 “(D) a county with persistent poverty (as
 7 classified by the Economic Research Service of
 8 the Department of Agriculture).

9 “(6) VETERAN OR SPOUSE OF VETERAN.—The
 10 term ‘veteran or spouse of a veteran’ has the mean-
 11 ing given such term by section 7(a)(31)(G)(ii) of the
 12 Small Business Act (15 U.S.C. 636(a)(31)(G)(ii), as
 13 in effect on the date of enactment of this section).

14 “(c) SPECIAL RULES.—For purposes of this sec-
 15 tion—

16 “(1) ELECTION TO TAKE CREDIT.—No credit
 17 shall be allowed under subsection (a) for any ex-
 18 penditures unless the taxpayer elects to have this
 19 section apply to such expenditures.

20 “(2) YEAR OF ELECTION.—The taxpayer may
 21 elect the application of this section only for the first
 22 2 taxable years for which ordinary and necessary ex-
 23 penses paid or incurred in carrying on such trade or
 24 business are allowable as a deduction by the tax-
 25 payer under section 162.

1 “(3) CONTROLLED GROUPS AND COMMON CON-
 2 TROL.—All persons treated as a single employer
 3 under subsections (a) and (b) of section 52 shall be
 4 treated as 1 person.

5 “(4) NO DOUBLE BENEFIT.—If a credit is de-
 6 termined under this section with respect to any
 7 property, the basis of such property shall be reduced
 8 by the amount of the credit attributable to such
 9 property.

10 “(5) VERIFICATION.—For purposes of deter-
 11 mining whether an entity qualifies as an applicable
 12 veteran-owned small business for purposes of this
 13 section, the Secretary, in consultation with the Ad-
 14 ministrator of the Small Business Administration,
 15 shall verify that the requirements described in sub-
 16 section (b)(1) have been satisfied.”.

17 (b) CLERICAL AMENDMENT.—The table of sections
 18 for subpart D of part IV of subchapter A of chapter 1
 19 of the Internal Revenue Code of 1986 is amended by add-
 20 ing at the end the following new item:

“Sec. 45BB. Veteran small business start-up credit.”.

21 (c) PART OF GENERAL BUSINESS CREDIT.—Section
 22 38(b) of the Internal Revenue Code of 1986, as amended
 23 by sections 13105, 13701, and 13704 of Public Law 117–
 24 169, is amended by striking “plus” at the end of para-
 25 graph (40), by striking the period at the end of paragraph

1 (41) and inserting “, plus”, and by adding at the end the
 2 following new paragraph:

3 “(42) the veteran small business start-up credit
 4 determined under section 45BB.”.

5 (d) REPORT BY TREASURY INSPECTOR GENERAL
 6 FOR TAX ADMINISTRATION.—Every fourth year after the
 7 date of the enactment of this Act, the Treasury Inspector
 8 General for Tax Administration shall include in one of the
 9 semiannual reports under section 5 of the Inspector Gen-
 10 eral Act of 1978 with respect to such year, an evaluation
 11 of the credit allowed under section 45BB of the Internal
 12 Revenue Code of 1986 (as added by this section), includ-
 13 ing an evaluation of the success of, and accountability with
 14 respect to, such credit.

15 (e) EFFECTIVE DATE.—The amendments made by
 16 this section shall apply to taxable years beginning after
 17 the date of the enactment of this Act.

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