

107TH CONGRESS
1ST SESSION

S. 1145

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

IN THE SENATE OF THE UNITED STATES

JUNE 29, 2001

Mrs. BOXER 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 extend the work opportunity credit to encourage the hiring of certain 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 “Veterans Opportunity
5 to Work Act”.

6 **SEC. 2. EXPANSION OF WORK OPPORTUNITY TAX CREDIT.**

7 (a) IN GENERAL.—Section 51(d)(1) of the Internal
8 Revenue Code of 1986 (relating to members of targeted
9 groups) is amended by striking “or” at the end of sub-
10 paragraph (G), by striking the period at the end of sub-

1 paragraph (H) and inserting “, or”, and by adding at the
 2 end the following:

3 “(I) a qualified low-income veteran.”

4 (b) QUALIFIED LOW-INCOME VETERAN.—Section
 5 51(d) of the Internal Revenue Code of 1986 (relating to
 6 members of targeted groups) is amended by redesignating
 7 paragraphs (10) through (12) as paragraphs (11) through
 8 (13), respectively, and by inserting after paragraph (9) the
 9 following:

10 “(10) QUALIFIED LOW-INCOME VETERAN.—

11 “(A) IN GENERAL.—The term ‘qualified
 12 low-income veteran’ means any veteran whose
 13 gross income for the taxable year preceding the
 14 taxable year including the hiring date, was
 15 below the poverty line (as defined by the Office
 16 of Management and Budget) for such preceding
 17 taxable year.

18 “(B) VETERAN.—The term ‘veteran’ has
 19 the meaning given such term by paragraph
 20 (3)(B).

21 “(C) SPECIAL RULES FOR DETERMINING
 22 AMOUNT OF CREDIT.—For purposes of applying
 23 this subpart to wages paid or incurred to any
 24 qualified low-income veteran—

“(i) subsection (a) shall be applied by substituting ‘50 percent of the qualified first-year wages and 25 percent of the qualified second-year wages’ for ‘40 percent of the qualified first year wages’, and

“(ii) in lieu of paragraphs (2) and (3) of subsection (b), the following definitions and special rule shall apply:

“(I) QUALIFIED FIRST-YEAR WAGES.—The term ‘qualified first-year wages’ means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning with the day the individual begins work for the employer.

“(II) QUALIFIED SECOND-YEAR WAGES.—The term ‘qualified second-year wages’ means, with respect to any individual, qualified wages attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such individual determined under subclause (I).

1 “(III) ONLY FIRST \$20,000 OF
2 WAGES PER YEAR TAKEN INTO AC-
3 COUNT.—The amount of the qualified
4 first and second year wages which
5 may be taken into account with re-
6 spect to any individual shall not ex-
7 ceed \$20,000 per year.”.

8 (c) PERMANENCE OF CREDIT.—Section 51(c)(4) of
9 the Internal Revenue Code of 1986 (relating to termi-
10 nation) is amended by inserting “(except for wages paid
11 to a qualified low-income veteran)” after “individual”.

12 (d) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to individuals who begin work for
14 the employer after the date of the enactment of this Act.

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