

113TH CONGRESS
2D SESSION

S. 2138

To provide a payroll tax holiday for newly hired veterans.

IN THE SENATE OF THE UNITED STATES

MARCH 13, 2014

Mrs. SHAHEEN introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To provide a payroll tax holiday for newly hired 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 “Veterans Hiring Act”.

5 **SEC. 2. EMPLOYEE PAYROLL TAX HOLIDAY FOR NEWLY**
6 **HIRED VETERANS.**

7 (a) IN GENERAL.—Subsection (d) of section 3111 of
8 the Internal Revenue Code of 1986 is amended to read
9 as follows:

10 “(d) SPECIAL EXEMPTION FOR ELIGIBLE VETERANS
11 HIRED DURING CERTAIN CALENDAR QUARTERS.—

1 “(1) IN GENERAL.—Subsection (a) shall not
 2 apply to 50 percent of the wages paid by the em-
 3 ployer with respect to employment during the holi-
 4 day period of any eligible veteran for services per-
 5 formed—

6 “(A) in a trade or business of the em-
 7 ployer, or

8 “(B) in the case of an employer exempt
 9 from tax under section 501(a), in furtherance
 10 of the activities related to the purpose or func-
 11 tion constituting the basis of the employer’s ex-
 12 emption under such section.

13 “(2) HOLIDAY PERIOD.—For purposes of this
 14 subsection, the term ‘holiday period’ means the pe-
 15 riod of 4 consecutive calendar quarters beginning
 16 with the first day of the first calendar quarter begin-
 17 ning after the date of the enactment of the Veterans
 18 Hiring Act.

19 “(3) ELIGIBLE VETERAN.—For purposes of this
 20 subsection—

21 “(A) IN GENERAL.—The term ‘eligible vet-
 22 eran’ means a veteran who—

23 “(i) begins work for the employer dur-
 24 ing the holiday period,

1 “(ii) was discharged or released from
2 the Armed Forces of the United States
3 under conditions other than dishonorable,
4 and

5 “(iii) is not an individual described in
6 section 51(i)(1) (applied by substituting
7 ‘employer’ for ‘taxpayer’ each place it ap-
8 pears).

9 “(B) VETERAN.—The term ‘veteran’
10 means any individual who—

11 “(i) has served on active duty (other
12 than active duty for training) in the Armed
13 Forces of the United States for a period of
14 more than 180 days, or has been dis-
15 charged or released from active duty in the
16 Armed Forces of the United States for a
17 service-connected disability (within the
18 meaning of section 101 of title 38, United
19 States Code),

20 “(ii) has not served on extended active
21 duty (as such term is used in section
22 51(d)(3)(B)) in the Armed Forces of the
23 United States on any day during the 60-
24 day period ending on the hiring date, and

1 “(iii) provides to the employer a copy
 2 of the individual’s DD Form 214, Certifi-
 3 cate of Release or Discharge from Active
 4 Duty, that includes the nature and type of
 5 discharge.

6 “(4) ELECTION.—An employer may elect not to
 7 have this subsection apply. Such election shall be
 8 made in such manner as the Secretary may require.

9 “(5) COORDINATION WITH WORK OPPORTUNITY
 10 CREDIT.—For coordination with the work oppor-
 11 tunity credit, see section 51(3)(D).”.

12 (b) COORDINATION WITH WORK OPPORTUNITY
 13 CREDIT.—

14 (1) IN GENERAL.—Paragraph (3) of section 51
 15 of the Internal Revenue Code of 1986 is amended by
 16 adding at the end the following new subparagraph:

17 “(D) DENIAL OF CREDIT FOR VETERANS
 18 SUBJECT TO 50 PERCENT PAYROLL TAX HOLI-
 19 DAY.—If section 3111(d)(1) (as amended by
 20 the Veterans Hiring Act) applies to any wages
 21 paid by an employer, the term ‘qualified vet-
 22 eran’ does not include any individual who be-
 23 gins work for the employer during the holiday
 24 period (as defined in section 3111(d)(2)) unless

1 the employer makes an election not to have sec-
2 tion 3111(d) apply.”.

3 (2) CONFORMING AMENDMENT.—Subsection (c)
4 of section 51 of such Code is amended by striking
5 paragraph (5).

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