

114TH CONGRESS
1ST SESSION

H. R. 2861

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged veterans, to improve the coordination of veteran job training services between the Department of Labor, the Department of Veteran Affairs, and the Department of Defense, to require transparency for Executive departments in meeting the Government-wide goals for contracting with small business concerns owned and controlled by service-disabled veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 23, 2015

Mr. PETERS (for himself, Mr. ASHFORD, Mr. VAN HOLLEN, Mr. RUSH, Mr. HASTINGS, Mr. TAKANO, Mr. JONES, Ms. NORTON, Ms. HAHN, Ms. FRANKEL of Florida, Mr. KILMER, Ms. BASS, Mr. HECK of Washington, and Ms. MCCOLLUM) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Armed Services, Small Business, Education and the Workforce, and Veterans' Affairs, 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

A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged veterans, to improve the coordination of veteran job training services between the Department of Labor, the Department of Veteran Affairs, and the Department of Defense, to require transparency for Executive departments in meeting the Government-wide goals for contracting with small business concerns owned and con-

trolled by service-disabled 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 “Veteran Employment
 5 Transition Act”.

6 **TITLE I—WORK OPPORTUNITY**
 7 **CREDIT FOR RECENTLY DIS-**
 8 **CHARGED VETERANS**

9 **SEC. 101. WORK OPPORTUNITY CREDIT FOR CERTAIN RE-**
 10 **CENTLY DISCHARGED VETERANS.**

11 (a) IN GENERAL.—Subparagraph (A) of section
 12 51(d)(3) of the Internal Revenue Code of 1986 is amended
 13 by striking “means any veteran who is” and inserting
 14 “means any recently discharged veteran, or any veteran
 15 if such veteran is”.

16 (b) RECENTLY DISCHARGED VETERAN.—Paragraph
 17 (3) of section 51(d) of the Internal Revenue Code of 1986
 18 is amended—

19 (1) by redesignating subparagraph (C) as sub-
 20 paragraph (D), and

21 (2) by inserting after subparagraph (B) the fol-
 22 lowing new subparagraph:

1 “(C) RECENTLY DISCHARGED VETERAN.—

2 For purposes of subparagraph (A), the term

3 ‘recently discharged veteran’ means—

4 “(i) any individual who is described in
5 clause (i) of subparagraph (B) (without re-
6 gard to certification), and

7 “(ii) any member of the National
8 Guard who has served for more than 180
9 consecutive days of—

10 “(I) active duty (within the
11 meaning of title 32, United States
12 Code) other than for training,

13 “(II) full-time National Guard
14 duty (within the meaning of such title
15 32) other than for training,

16 “(III) duty, other than inactive
17 duty or duty for training, in State
18 status (within the meaning of such
19 title 32), or

20 “(IV) any combination of duty
21 described in subclause (I), (II), or
22 (III),

23 who has been discharged or released from duty
24 meeting such requirements at any time during
25 the 5-year period ending on the hiring date.

1 Such term shall not include any veteran who
2 begins work for the employer before the date of
3 the enactment of the Veteran Employment
4 Transition Act.”.

5 (c) CONFORMING AMENDMENTS.—Section 51(d) of
6 the Internal Revenue Code of 1986 is amended—

7 (1) by adding at the end of paragraph (13) the
8 following new subparagraph:

9 “(E) PRE-SCREENING OF RECENTLY DIS-
10 CHARGED VETERANS.—

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

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).”, and
3 (2) by striking paragraph (14).

4 (d) EFFECTIVE DATES.—The amendments made by
5 subsections (a), (b), and (c) shall apply to individuals
6 whose hiring date (as defined in section 51(d)(11) of the
7 Internal Revenue Code of 1986) is on or after the date
8 of the enactment of this Act.

9 (e) DEPARTMENT OF DEFENSE DOCUMENTATION.—

10 (1) IN GENERAL.—The Department of Defense
11 and the National Guard, as applicable, shall pro-
12 vide—

13 (A) to each individual who is discharged or
14 released from active duty in the Armed Forces
15 of the United States on or after the date of the
16 enactment of this Act; and

17 (B) to each member of the National Guard
18 who is released from duty described in section
19 51(d)(3)(C)(ii) of the Internal Revenue Code of
20 1986 (as added by this Act) on or after the
21 date of the enactment of this Act;

22 documentation described in paragraph (4) (in addi-
23 tion to the documentation which, without regard to
24 this subsection, is provided at the time of such dis-
25 charge or release). If the documentation which is

1 provided without regard to this subsection at the
2 time of the discharge or release described in the pre-
3 ceding sentence does not include information suffi-
4 cient to satisfy the requirements of section
5 51(d)(13)(E)(i) of the Internal Revenue Code of
6 1986 (as added by this Act), the Department of De-
7 fense or the National Guard, whichever is applicable,
8 shall provide additional documentation which in-
9 cludes such information.

10 (2) INFORMATIONAL BRIEFING AS PART OF
11 PRESEPARATION COUNSELING.—In the case of an
12 individual who is discharged or released from duty
13 described in subparagraph (A) or (B) of paragraph
14 (1) after the date of the enactment of this Act, the
15 Department of Defense or the National Guard,
16 whichever is applicable, shall inform such individual,
17 as a part of the individual preseparation counseling
18 required by section 1142 of title 10, United States
19 Code, of the credit for employment of recently dis-
20 charged veterans under section 51 of the Internal
21 Revenue Code of 1986.

22 (3) REQUEST FOR DOCUMENTATION.—The De-
23 partment of Defense or the National Guard, which-
24 ever is applicable, shall provide upon request the
25 documentation required by paragraph (1) to any in-

1 dividual who is discharged or released from duty de-
2 scribed in subparagraph (A) or (B) of such para-
3 graph during the 5-year period preceding and in-
4 cluding the date of the enactment of this Act.

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

8 (A) instructions for an individual to ensure
9 treatment as a recently discharged veteran for
10 purposes of section 51(d)(3)(C) of the Internal
11 Revenue Code of 1986 (as added by this Act),

12 (B) instructions for employers detailing the
13 use of the credit under such section 51 with re-
14 spect to such individual, and

15 (C) the dates during which the credit
16 under such section 51 is available.

17 Such instructions shall be developed in collaboration
18 with the Internal Revenue Service.

19 **SEC. 102. WORK OPPORTUNITY CREDIT MADE PERMANENT**
20 **FOR VETERANS.**

21 (a) IN GENERAL.—Paragraph (4) of section 51(c) of
22 the Internal Revenue Code of 1986 is amended to read
23 as follows:

1 “(4) TERMINATION.—The term ‘wages’ shall
2 not include any amount paid or incurred to any indi-
3 vidual who—

4 “(A) is not a qualified veteran, and

5 “(B) begins work for the employer after
6 December 31, 2014.”.

7 (b) EFFECTIVE DATE.—The amendment made by
8 subsection (a) applies to individuals who begin work for
9 the employer after December 31, 2014.

10 **TITLE II—VETERAN EMPLOY-** 11 **MENT AND TRAINING SERV-** 12 **ICES**

13 **SEC. 201. DEFINITIONS.**

14 In this title:

15 (1) DISABLED VETERAN.—The term “disabled
16 veteran” has the meaning given the term in section
17 4211 of title 38, United States Code.

18 (2) ECONOMICALLY AND EDUCATIONALLY DIS-
19 ADVANTAGED VETERAN.—The term “economically
20 and educationally disadvantaged veteran” means
21 such a veteran, within the meaning of chapter 41 of
22 title 38, United States Code.

23 (3) REHABILITATION PLAN.—The term “reha-
24 bilitation plan” means an individualized plan formu-
25 lated for a veteran under section 3107 of title 38,

1 United States Code, that has an employment objec-
2 tive.

3 (4) VETERAN.—The term “veteran” has the
4 meaning given the term in section 101 of title 38,
5 United States Code.

6 (5) VETERAN JOB TRAINING PROGRAM.—The
7 term “veteran job training program” means—

8 (A) the Disabled Veterans’ Outreach Pro-
9 gram carried out under section 4103A of title
10 38, United States Code;

11 (B) the Homeless Veterans Reintegration
12 Program carried out under section 2021 of that
13 title;

14 (C) the Local Veterans’ Employment Rep-
15 resentative Program carried out under section
16 4104 of that title;

17 (D) the Transition Assistance Program
18 carried out under section 1144 of title 10,
19 United States Code;

20 (E) the Veterans Workforce Investment
21 Program carried out under section 168 of the
22 Workforce Investment Act of 1998 (29 U.S.C.
23 2913); and

1 (F) the Vocational Rehabilitation & Em-
2 ployment Program carried out under chapter 31
3 of title 38, United States Code.

4 (6) VETERAN JOB TRAINING SERVICES.—The
5 term “veteran job training services” means the serv-
6 ices provided under a veteran job training program.

7 **SEC. 202. COORDINATION BETWEEN SECRETARY OF LABOR,**
8 **SECRETARY OF VETERANS AFFAIRS, AND**
9 **SECRETARY OF DEFENSE ON VETERAN JOB**
10 **TRAINING.**

11 Not later than 1 year after the date of enactment
12 of this Act, the Secretary of Labor, the Secretary of Vet-
13 erans Affairs, and the Secretary of Defense shall enter
14 into an agreement, covering the 3 departments involved,
15 to govern the coordination of veteran job training services.

16 **SEC. 203. IMPLEMENTATION REPORTS ON VETERAN JOB**
17 **TRAINING PROGRAMS.**

18 (a) REPORT REQUIRED.—The Secretary of Veterans
19 Affairs and the Secretary of Labor shall prepare an initial
20 and a final report on the veteran job training programs
21 of the Department of Veterans Affairs and Department
22 of Labor as described in this section.

23 (b) DEPARTMENT OF VETERANS AFFAIRS.—The
24 Secretary of Veterans Affairs shall include in each of the
25 reports required by subsection (a), with regard to the De-

1 department of Veterans Affairs, information describing each
2 of the following:

3 (1) The actions taken by the Department to en-
4 sure that States receive sufficient guidance to com-
5 ply with Federal laws regarding veteran job training
6 programs.

7 (2) The extent to which the Department re-
8 viewed and incorporated into its operations—

9 (A) the employment related initiatives of
10 the Yellow Ribbon Reintegration Program
11 under section 582 of the National Defense Au-
12 thorization Act for Fiscal Year 2008 (Public
13 Law 110–181; 10 U.S.C. 10101 note); and

14 (B) the conclusions of the Credentialing
15 and Licensing Task Force of the Department of
16 Defense.

17 (3) The extent to which veterans’ employment
18 outcomes result from participation in the Vocational
19 Rehabilitation & Employment Program carried out
20 under chapter 31 of title 38, United States Code,
21 rather than from other factors.

22 (4) Actions taken by the Department to ensure
23 that veterans with a rehabilitation plan receive vet-
24 eran job training services consistent with the reha-
25 bilitation plan.

1 (5) Efforts taken by the Department to better
2 serve veterans living in rural communities.

3 (c) DEPARTMENT OF LABOR.—The Secretary of
4 Labor shall include in each of the reports required by sub-
5 section (a), with regard to the Department of Labor, infor-
6 mation describing each of the following:

7 (1) The matters referred to in paragraphs (1),
8 (2), (3), and (5) of subsection (b).

9 (2) The extent to which veterans' employment
10 outcomes result from participation in the veteran job
11 training programs specified in subparagraphs (A)
12 through (E) of section 201(5), rather than from
13 other factors.

14 (3) The actions taken by the Department to
15 provide States with clear guidance for determining
16 which veterans are classified as economically and
17 educationally disadvantaged veterans, or in other
18 categories of veterans.

19 (4) The progress of the Department in clari-
20 fying its approach to determining which participants
21 in the Disabled Veterans Outreach Program carried
22 out under section 4103A of title 38, United States
23 Code, shall receive intensive services (as defined in
24 section 134(d)(3) of the Workforce Investment Act
25 of 1998 (29 U.S.C. 2864(d)(3))).

1 (5) How the Department reports on goals for
2 performance, and actual performance, on perform-
3 ance standards or other measures, for each of its
4 veterans job training programs, including an assess-
5 ment of how to better monitor employment outcomes
6 for disabled veterans.

7 (d) SUBMISSION OF REPORTS.—The Secretary of
8 Labor and the Secretary of Veterans Affairs shall submit
9 to Congress—

10 (1) not later than 1 year after the date of en-
11 actment of this Act, the initial report required by
12 subsection (a); and

13 (2) not later than 2 years after such date, the
14 final report required by subsection (a).

15 (e) INTERNET PUBLICATION OF DEPARTMENT OF
16 LABOR DATA ON PERFORMANCE GOALS AND OUT-
17 COMES.—The Secretary of Labor shall publish on a pub-
18 licly accessible, user-friendly Internet website the goals
19 and actual performance data described in subsection
20 (c)(4).

1 **SEC. 204. EXPANSION OF PILOT PROGRAM ON RECEIPT OF**
 2 **CIVILIAN CREDENTIALING FOR SKILLS RE-**
 3 **QUIRED FOR MILITARY OCCUPATIONAL SPE-**
 4 **CIALTIES.**

5 Section 558(b)(1) of the National Defense Authoriza-
 6 tion Act for Fiscal Year 2012 (Public Law 112–81; 10
 7 U.S.C. 2015 note) is amended by striking “not less than
 8 three” and inserting “the MOS 31B Military Police, MOS
 9 15Q AC–Air Traffic Controller, and MOS 12M Fire Pro-
 10 tection military occupational specialties and not fewer
 11 than three and not more than five additional”.

12 **SEC. 205. RULE OF CONSTRUCTION.**

13 Nothing in this title shall be construed to affect any
 14 other Federal law specifying a reporting requirement.

15 **TITLE III—HONORING PROMISES**
 16 **TO SERVICE-DISABLED VET-**
 17 **ERANS**

18 **SEC. 301. TRANSPARENCY IN CONTRACTING GOALS FOR**
 19 **SMALL BUSINESS CONCERNS OWNED AND**
 20 **CONTROLLED BY SERVICE-DISABLED VET-**
 21 **ERANS.**

22 Section 15 of the Small Business Act (15 U.S.C. 644)
 23 is amended by adding at the end the following:

24 “(s) TRANSPARENCY IN CONTRACTING GOALS FOR
 25 SMALL BUSINESS CONCERNS OWNED AND CONTROLLED
 26 BY SERVICE-DISABLED VETERANS.—

1 “(1) DEFINITIONS.—In this subsection—

2 “(A) the term ‘covered contractor’ means a
3 contractor that is required to submit a subcon-
4 tracting plan under section 8(d) to an Execu-
5 tive department;

6 “(B) the term ‘Executive department’ has
7 the meaning given that term in section 101 of
8 title 5, United States Code; and

9 “(C) the term ‘physically completed’ has
10 the meaning given that term in section 4.804–
11 4 of the Federal Acquisition Regulation, or any
12 successor thereto.

13 “(2) REPORTS TO ADMINISTRATOR.—Not later
14 than 1 year after the date of enactment of this sub-
15 section, and annually thereafter, the head of each
16 Executive department shall submit to the Adminis-
17 trator a report that contains—

18 “(A) the percentage of the total value of
19 all prime contracts awarded by the Executive
20 department to small business concerns owned
21 and controlled by service-disabled veterans dur-
22 ing the 1-year period ending on the date of the
23 report;

1 “(B) the name of each covered contractor
2 to which the Executive department awards a
3 contract;

4 “(C) for each contract awarded to a cov-
5 ered contractor by the Executive department—

6 “(i) the percentage goal negotiated
7 under section 8(d)(6)(A) for the utilization
8 as subcontractors of small business con-
9 cerns owned and controlled by service-dis-
10 abled veterans; and

11 “(ii) if the contract is physically com-
12 pleted during the 1-year period ending on
13 the date of the report, the percentage of
14 the total value of subcontracts entered into
15 by the covered contractor awarded to small
16 business concerns owned and controlled by
17 service-disabled veterans;

18 “(D) the weighted average percentage goal
19 negotiated by each covered contractor under
20 section 8(d)(6)(A) for the utilization as sub-
21 contractors of small business concerns owned
22 and controlled by service-disabled veterans for
23 all contracts awarded by the Executive depart-
24 ment to the covered contractor;

1 “(E) for all contracts awarded to covered
2 contractors by the Executive department that
3 are physically completed during the 1-year pe-
4 riod ending on the date of the report, the per-
5 centage of the total value of all subcontracts
6 awarded by covered contractors that were
7 awarded to small business concerns owned and
8 controlled by service-disabled veterans; and

9 “(F) the dollar amount by which the Exec-
10 utive department exceeded or failed to meet the
11 Government-wide goals under subsection (g) for
12 prime contracts and subcontracts awarded to
13 small business concerns owned and controlled
14 by service-disabled veterans.

15 “(3) RANKINGS.—For the first full fiscal year
16 following the date of enactment of this subsection,
17 and each fiscal year thereafter, the Administrator
18 shall rank—

19 “(A) the Executive departments, based
20 on—

21 “(i) the percentage of the total value
22 of prime contracts awarded by the Execu-
23 tive departments to small business con-
24 cerns owned and controlled by service-dis-
25 abled veterans; and

1 “(ii) the percentage of the total value
2 of subcontracts awarded by covered con-
3 tractors that are awarded contracts by the
4 Executive departments to small business
5 concerns owned and controlled by service-
6 disabled veterans; and

7 “(B) covered contractors, based on the
8 percentage of the total value of subcontracts
9 awarded by the covered contractors to small
10 business concerns owned and controlled by serv-
11 ice-disabled veterans.

12 “(4) PUBLICATION.—

13 “(A) WEBSITE.—Except as provided in
14 subparagraph (B), the Administrator shall pub-
15 lish on a website accessible to the public a user-
16 friendly, electronically searchable report con-
17 taining—

18 “(i) the information submitted to the
19 Administrator under paragraph (2); and

20 “(ii) the rankings made by the Ad-
21 ministrator under paragraph (3).

22 “(B) EXCEPTION FOR NATIONAL SECU-
23 RITY.—If the head of an Executive department
24 determines that publication of information con-
25 tained in a report submitted under paragraph

(2) would be detrimental to national security, the Administrator shall not publish the information on the website described in subparagraph (A).

“(C) UPDATING.—The Administrator shall update the contents of the website described in subparagraph (A) not less frequently than annually.

“(5) REPORTS TO CONGRESS.—

“(A) ANNUAL REPORT.—The Administrator shall submit to Congress an annual report on the progress of each Executive department toward meeting the Government-wide goals for contracting and subcontracting established under subsection (g).

“(B) CONTENTS.—Each report under this paragraph shall include—

“(i) a statement of whether the website described in paragraph (4) contains the latest data reported to the Administrator by the Executive departments; and

“(ii) a recommendation of a prime contractor that should be recognized by Congress for outstanding progress in con-

1 tracting with small business concerns
2 owned and controlled by service-disabled
3 veterans.

4 “(6) RULE OF CONSTRUCTION.—Nothing in
5 this subsection may be construed to affect any other
6 reporting requirement under Federal law.”.

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