

Today, there are two significant tax credits available to businesses who hire veterans: Federal legislation called the VOW to Hire Heroes Act (Public Law 112-56) and a new state law, An Act Promoting Economic Growth and Job Creation in the State (CT Public Act No. 11-1).

FEDERAL RETURNING HEROES & WOUNDED WARRIOR TAX CREDITS

The Returning Heroes Tax Credit is a new hiring tax credit that will provide an incentive for businesses to hire unemployed veterans – regardless of the company size.

- Short-term unemployed: A new credit of 40 percent of the first \$6,000 of wages (up to \$2,400) for employers who hire veterans who have been unemployed at least four weeks.
- Long-term unemployed: A new credit of 40 percent of the first \$14,000 of wages (up to \$5,600) for employers who hire veterans who have been unemployed longer than six months.

The Wounded Warrior Tax Credit doubles the existing tax credit for long-term unemployed veterans with service-connected disabilities.

- For veterans with service-connected disabilities who are hired within a year of being separated from active duty, the credit is equal to 40% of wages (with a maximum of \$4,800).
- A new credit of 40 percent of the first \$24,000 of wages (up to \$9,600) for firms that hire veterans with service-connected disabilities who have been unemployed longer than 6 months.

Applies to new hires made on or after November 22, 2011 and before January 1, 2014.

For credits related to those who have been unemployed for specific time periods, individuals must be receiving, or have exhausted, unemployment benefits prior to their hire to qualify. For credits related to hiring service-connected veterans, those individuals must be eligible for, or receiving, receiving disability compensation from the VA.

Businesses claim the credit as part of the general business credit and tax-exempt organizations claim it against their payroll tax liability.

Visit www.irs.gov for more information about how to use these credits.

CONNECTICUT JOB EXPANSION TAX CREDIT

Provides a \$900 per month Job Expansion Tax Credit (JET) to businesses that hire qualified veterans.

Unlike the federal credit, the state program includes specific thresholds needed for businesses to qualify:

- Those with under 50 employees must hire at least one new full-time employees
- Those with 50 to 100 employees must hire at least five new full-time employees
- Those with over 100 employees must hire at least 10 new full-time employees

Applies to new hires made on or after January 1, 2012 and before January 1, 2014. Individuals must be receiving, or have exhausted, unemployment benefits prior to their hire to qualify.

For more information, visit <http://www.ct.gov/ecd> for more information on the credit, including how to apply for and receive the credit.