MEMORANDUM

DATE:        April 23, 2012

TO:          All Members of the Delaware State Senate

FROM:        Ms. Daniese McMullin-Powell
             Chairperson
             State Council for Persons with Disabilities

RE:          H.B. 275 [Veteran Employment State Tax Credit]

The State Council for Persons with Disabilities (SCPD) has reviewed H.B. 275 which establishes the Veterans’ Opportunity Credit that awards employers for hiring qualified veterans. As background, attached please find a March 16, 2012 News Journal article and March 16, 2012 News Journal editorial endorsing the legislation. The bill is patterned on similar legislation enacted in Illinois, California, Minnesota, and West Virginia. It would provide a state tax credit of 10% of gross wages of a “qualified veteran”. The credit would be available for up to 3 years and would be capped at $1,500 annually. A “qualified veteran” is limited to persons who served in recent campaigns (Iraq; Afghanistan; Global War on Terror) as documented by receipt of a certain medal. The News Journal article indicates that there are 7,000 Iraq and Afghanistan war veterans in Delaware.

SCPD strongly endorses the proposed legislation. Consistent with the attached U.S. Bureau of Labor Statistics information, the unemployment rate for veterans with disabilities is higher than the unemployment rate for veterans without disabilities. Tom Brokow of NBC’s DATELINE highlighted the plight of an unemployed Iraqi war veteran (with diagnoses of PTSD, thyroid disorder, and orthopedic impairment) in a Sunday, March 25, 2012 program. The video can be accessed at http://www.msnbc.msn.com/id/3032600/vp/4683793446837934. H.B. 275 would benefit veterans with and without disabilities.

Thank you for your consideration and please contact SCPD if you have any questions regarding our position or observations on the proposed legislation.

cc:          The Honorable Jack A. Markell
             The Honorable Earl G. Jaques
             Mr. Brian Hartman, Esq.
             Governor’s Advisory Council for Exceptional Citizens
             Developmental Disabilities Council

Hb 275 vets 4-23-12
Hiring perk to help veterans
Governor offers bill calling for $1,500-a-job tax break from state

By WILLIAM H. McMICHAEL
The News Journal

DOVER — State businesses that hire qualified military veterans could gain up to three years of tax breaks under legislation introduced Thursday by Gov. Jack Markell.

The proposal fulfills a promise Markell made during his State of the State address in January.

The Veterans Opportunity Tax Credit, H.B. 275, would enable businesses hiring qualified veterans — those who have served in or supported post-9/11 conflicts — to take a state tax credit of 10 percent of a new hire's gross wages with an annual cap of $1,500, according to the governor's spokesman, Brian Selander. The cap would continue for three tax years, providing employers with as much as $4,500 for each veteran hired.

In delivering on a promise, Gov. Jack Markell has proposed legislation to help businesses that hire military veterans. The credit could be taken by any private-sector business against personal or corporate income tax, as well as against bank franchise and insurance premium taxes, Selander said. It would apply to all new hires between Jan. 1, 2012, and Jan. 1, 2016.

Selander called the credit "a substantial incentive for businesses to put these veterans back to work."

Similar initiatives are on the books in several other states, including California, Minnesota, Illinois and West Virginia. A federal program providing tax credits up to $9,600, tax credit

See HIRING, Page B2
Hiring: Bill could help 3,000 in state

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program remains in effect for for-profit as well as tax-exempt businesses that hire unemployed veterans who begin work prior to Jan. 1, 2013.

Markell said the cost of the tax-credit program to the state is not yet known, but based on Illinois' figures, the administration expects the impact will be less than $100,000 a year.

The administration expects the bill to be ready for Markell's signature well before the June 30 close of the legislative session.

Markell, who visited troops from Delaware in Afghanistan last fall, said Thursday that the recession has taken a particularly heavy toll on recent veterans.

"So many of them have found that the recession that has years of devastating effects on our economy has hit veterans as well," he said. "That's clearly not a way to thank people for something."

The January unemployment rate for all U.S. veterans of the recent wars was 9.1 percent, 0.8 percentage points higher than the current overall unemployment rate for the state's 7,000 Iraq and Afghanistan war veterans, because the sample is too small.

"We have no confidence in those numbers," Kosanovich said.

Qualified veterans must have served in or closely supported the wars in Iraq or Afghanistan. Selander said that means they must have earned either the Afghanistan or Iraq campaign medals or the Global War on Terrorism Expeditionary Medal, which recognize service in those countries and related service. They also would have to be Delaware residents, or nonresidents who served in the Delaware National Guard.

Sen. George Bunting Jr., D-Bethany Beach, who served in the Marine Corps during the Vietnam War, said a stigma attached to those returning from combat kept him from wearing his uniform home, and from listing his military service on his résumé. He hopes veterans nowadays fare better, partly because of legisla-
Jobs bill for returning vets is a winner

Three years of state tax breaks for hiring a qualified worker—who defended this country against its terrorist enemies—is too good a deal for the business community to pass up.

Today, Gov. Jack Markell proposes this necessary “thank you” to the men and women who served or closely supported the recent U.S. missions in the Iraq and Afghanistan wars.

The Veterans Opportunity Tax Credit, House Bill 275, should enable businesses hiring qualified veterans—those who have served in or supported post-9/11 conflicts—to take a state tax credit of 10 percent of a new hire’s gross wages with an annual cap of $1,500. This cap would continue for three tax years, providing employers as much as $4,500 per veteran hired.

While the fiscal tab on the state budget is unknown at this point, moving forward on getting jobs for those who risked their lives to secure their homeland is a privilege that federal and local governments are honor-bound to make happen.

And the payoff, while not immediately calculable in terms of the ultimate fiscal costs, is measurable by the debt owed to these Americans, especially considering the challenges many face when they return home.

One in six homeless people in Delaware are veterans, points out Rep. Earl Jaques, D-Glasygow.

As a co-sponsor of H.B. 275, with Sen. George Bunting, D-Bethany Beach, Rep. Jaques quantifies the value businesses lose out on by not considering the skill sets that a history of combat duty contributes to on-the-job efficiency, innovation and loyalty.

“Today’s veteran is not from your father’s military,” Rep. Jaques said. “They are technologically savvy and have operated in some of the worst conditions imaginable, so companies who hire them will get an outstanding employee.”

As a nation, this country owes these returning soldiers better than it did their Vietnam predecessors, many of whom came home to an abject lack of basic public services, including job training, to reintegrate them back into peacetime civilian life.

It’s good to know that H.B. 275 has bipartisan support in the state Legislature.

This should clear the way for its necessary and immediate passage.
Disabled veterans and the labor force

In August 2009, about 2.5 million veterans, or 13 percent of the total, reported having a service-connected disability. (Some veterans did not report whether they had a service-connected disability.)

Veterans with a service-connected disability are assigned a disability rating by the U.S. Department of Veterans Affairs. Ratings range from 0 to 100 percent, in increments of 10 percentage points, depending on the severity of the condition. About 4 in 10 disabled veterans reported a disability rating of less than 30 percent, while about 1 in 4 had a rating of 60 percent or higher.

Among veterans who served in Gulf War era II, about 21 percent reported having a service-connected disability. Of these, 80.5 percent were in the labor force, compared with 87.2 percent of nondisabled veterans from this period.

About 18 percent of veterans who served during Gulf War era I reported a service-connected disability. Their labor force participation rate (77.8 percent) was lower than the rate for veterans from the era who did not have a disability (92.8 percent).

Among the 1.4 million disabled veterans of World War II, the Korean War, and the Vietnam era, 28.8 percent were in the labor force in August 2009, compared with 37.0 percent of veterans from these periods who did not have a service-connected disability.

The Current Population Survey (CPS) is the source of these data. In the CPS, veterans are defined as men and women who have previously served on active duty in the U.S. Armed Forces and who were civilians at the time they were surveyed. To learn more, see "Employment Situation of Veterans: 2009," news release (HTML) (PDF) USDL 10-0285.

Related TED articles

Labor force | Disability

Of interest


The most recent recession in the United States began in December 2007 and ended in June 2009, though many of the statistics that describe the U.S. economy have yet to return to their pre-recession values. In this Spotlight, we present BLS data that compare the recent recession to previous recessions. Read more
