

112TH CONGRESS
2D SESSION

S. _____

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

IN THE SENATE OF THE UNITED STATES

Mr. BLUMENTHAL (for himself, Ms. MIKULSKI, Mr. UDALL of New Mexico, Mr. HELLER, Mr. WEBB, and Ms. CANTWELL) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit for hiring 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 “VOW to Hire Heroes
5 Extension Act of 2012”.

6 **SEC. 2. EXTENSION OF WORK OPPORTUNITY CREDIT FOR**
7 **VETERANS.**

8 (a) IN GENERAL.—Clause (i) of section 51(c)(4)(B)
9 of the Internal Revenue Code of 1986 is amended by strik-

1 ing “December 31, 2012” and inserting “December 31,
2 2016”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to individuals who begin work for
5 the employer after December 31, 2012.

6 **SEC. 3. SIMPLIFIED CERTIFICATION OF VETERAN STATUS.**

7 (a) **IN GENERAL.**—Subparagraph (D) of section
8 51(d)(13) of the Internal Revenue Code of 1986 is amend-
9 ed to read as follows:

10 “(D) **PRE-SCREENING OF QUALIFIED VET-**
11 **ERANS.**—

12 “(i) **IN GENERAL.**—Subparagraph (A)
13 shall be applied without regard to sub-
14 clause (II) of clause (ii) thereof in the case
15 of an individual seeking treatment as a
16 qualified veteran with respect to whom the
17 pre-screening notice contains—

18 “(I) qualified veteran status doc-
19 umentation,

20 “(II) qualified proof of unemploy-
21 ment compensation, and

22 “(III) an affidavit furnished by
23 the individual stating, under penalty
24 of perjury, that the information pro-

1 vided under clauses (I) and (II) is
2 true.

3 “(ii) QUALIFIED VETERAN STATUS
4 DOCUMENTATION.—For purposes of clause
5 (i), the term ‘qualified veteran status docu-
6 mentation’ means any documentation pro-
7 vided to an individual by the Department
8 of Defense or the National Guard upon re-
9 lease or discharge from the Armed Forces
10 which includes information sufficient to es-
11 tablish that such individual is a veteran.

12 “(iii) QUALIFIED PROOF OF UNEM-
13 PLOYMENT COMPENSATION.—For purposes
14 of clause (i), the term ‘qualified proof of
15 unemployment compensation’ means, with
16 respect to an individual, checks or other
17 proof of receipt of payment of unemploy-
18 ment compensation to such individual for
19 periods aggregating not less than 4 weeks
20 (in the case of an individual seeking treat-
21 ment under paragraph (3)(A)(iii)), or not
22 less than 6 months (in the case of an indi-
23 vidual seeking treatment under clause
24 (ii)(II) or (iv) of paragraph (3)(A)), during

1 the 1-year period ending on the hiring
2 date.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 this section shall apply to individuals who begin work for
5 the employer after the date of the enactment of this Act.

6 **SEC. 4. CREDIT MADE AVAILABLE AGAINST PAYROLL**
7 **TAXES IN CERTAIN CIRCUMSTANCES.**

8 (a) **IN GENERAL.**—Paragraph (2) of section 52(c) of
9 the Internal Revenue Code of 1986 is amended—

10 (1) by striking “QUALIFIED TAX-EXEMPT ORGA-
11 NIZATIONS” in the heading and inserting “CERTAIN
12 EMPLOYERS”, and

13 (2) by striking “by qualified tax-exempt organi-
14 zations” and inserting “by certain employers”.

15 (b) **CREDIT ALLOWED TO CERTAIN FOR-PROFIT EM-**
16 **PLOYERS.**—Subsection (e) of section 3111 of the Internal
17 Revenue Code of 1986 is amended—

18 (1) by inserting “or a qualified for-profit em-
19 ployer” after “If a qualified tax-exempt organiza-
20 tion” in paragraph (1),

21 (2) by striking “with respect to whom a credit
22 would be allowable under section 38 by reason of
23 section 51 if the organization were not a qualified
24 tax-exempt organization” in paragraph (1),

1 (3) by inserting “or for-profit employer” after
2 “employees of the organization” each place it ap-
3 pears in paragraphs (1) and (2),

4 (4) by inserting “in the case of a qualified tax-
5 exempt organization,” before “by only taking into
6 account” in subparagraph (C) of paragraph (3),

7 (5) by inserting “or for-profit employer” after
8 “the organization” in paragraph (4),

9 (6) by redesignating subparagraph (B) of para-
10 graph (5) as subparagraph (C) of such paragraph,
11 by striking “and” at the end of subparagraph (A) of
12 such paragraph, and by inserting after subpara-
13 graph (A) of such paragraph the following new sub-
14 paragraph:

15 “(B) the term ‘qualified for-profit em-
16 ployer’ means, with respect to a taxable year,
17 an employer not described in subparagraph (A),
18 but only if—

19 “(i) such employer does not have prof-
20 its for any of the 3 taxable years preceding
21 such taxable year, and

22 “(ii) such employer elects under sec-
23 tion 51(j) not to have section 51 apply to
24 such taxable year, and”, and

1 (7) by striking “has meaning given such term
2 by section 51(d)(3)” in subparagraph (C) of para-
3 graph (5), as so redesignated, and inserting “means
4 a qualified veteran (within the meaning of section
5 51(d)(3)) with respect to whom a credit would be al-
6 lowable under section 38 by reason of section 51 if
7 the employer of such veteran were not a qualified
8 tax-exempt organization or a qualified for-profit em-
9 ployer”.

10 (c) TRANSFERS TO FEDERAL OLD-AGE AND SUR-
11 VIVORS INSURANCE TRUST FUND.—There are hereby ap-
12 propriated to the Federal Old-Age and Survivors Trust
13 Fund and the Federal Disability Insurance Trust Fund
14 established under section 201 of the Social Security Act
15 (42 U.S.C. 401) amounts equal to the reduction in reve-
16 nues to the Treasury by reason of the amendments made
17 by subsections (a) and (b). Amounts appropriated by the
18 preceding sentence shall be transferred from the general
19 fund at such times and in such manner as to replicate
20 to the extent possible the transfers which would have oc-
21 curred to such Trust Fund had such amendments not
22 been enacted.

23 (d) EFFECTIVE DATE.—The amendments made by
24 subsections (a) and (b) shall apply to individuals who

1 begin work for the employer after the date of the enact-
2 ment of this Act.

3 **SEC. 5. REPORT.**

4 Not later than 2 years after the date of the enact-
5 ment of this Act, and annually thereafter, the Commis-
6 sioner of Internal Revenue, in consultation with the Sec-
7 retary of Labor, shall report to the Congress on the effec-
8 tiveness and cost-effectiveness of the amendments made
9 by sections 2, 3, and 4 in increasing the employment of
10 veterans. Such report shall include the results of a survey,
11 conducted, if needed, in consultation with the Veterans'
12 Employment and Training Service of the Department of
13 Labor, to determine how many veterans are hired by each
14 employer that claims the credit under section 51, by rea-
15 son of subsection (d)(1)(B) thereof, or 3111(e) of the In-
16 ternal Revenue Code of 1986.

17 **SEC. 6. TREATMENT OF POSSESSIONS.**

18 (a) PAYMENTS TO POSSESSIONS.—

19 (1) MIRROR CODE POSSESSIONS.—The Sec-
20 retary of the Treasury shall pay to each possession
21 of the United States with a mirror code tax system
22 amounts equal to the loss to that possession by rea-
23 son of the amendments made by this Act. Such
24 amounts shall be determined by the Secretary of the
25 Treasury based on information provided by the gov-

1 ernment of the respective possession of the United
2 States.

3 (2) OTHER POSSESSIONS.—The Secretary of
4 the Treasury shall pay to each possession of the
5 United States which does not have a mirror code tax
6 system the amount estimated by the Secretary of the
7 Treasury as being equal to the loss to that posses-
8 sion that would have occurred by reason of the
9 amendments made by this Act if a mirror code tax
10 system had been in effect in such possession. The
11 preceding sentence shall not apply with respect to
12 any possession of the United States unless such pos-
13 session establishes to the satisfaction of the Sec-
14 retary that the possession has implemented (or, at
15 the discretion of the Secretary, will implement) an
16 income tax benefit which is substantially equivalent
17 to the income tax credit in effect after the amend-
18 ments made by this Act.

19 (b) COORDINATION WITH CREDIT ALLOWED
20 AGAINST UNITED STATES INCOME TAXES.—The credit
21 allowed against United States income taxes for any tax-
22 able year under the amendments made by this Act to sec-
23 tion 51 of the Internal Revenue Code of 1986 to any per-
24 son with respect to any qualified veteran shall be reduced
25 by the amount of any credit (or other tax benefit described

1 in paragraph (1)(B)) allowed to such person against in-
2 come taxes imposed by the possession of the United States
3 by reason of this section with respect to such qualified
4 veteran for such taxable year.

5 (c) DEFINITIONS AND SPECIAL RULES.—

6 (1) POSSESSION OF THE UNITED STATES.—For
7 purposes of this section, the term “possession of the
8 United States” includes American Samoa, Guam,
9 the Commonwealth of the Northern Mariana Is-
10 lands, the Commonwealth of Puerto Rico, and the
11 United States Virgin Islands.

12 (2) MIRROR CODE TAX SYSTEM.—For purposes
13 of this section, the term “mirror code tax system”
14 means, with respect to any possession of the United
15 States, the income tax system of such possession if
16 the income tax liability of the residents of such pos-
17 session under such system is determined by ref-
18 erence to the income tax laws of the United States
19 as if such possession were the United States.

20 (3) TREATMENT OF PAYMENTS.—For purposes
21 of section 1324(b)(2) of title 31, United States
22 Code, the payments under this section shall be treat-
23 ed in the same manner as a refund due from credit
24 provisions described in such section.