

111TH CONGRESS
2D SESSION

S. 3398

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged veterans.

IN THE SENATE OF THE UNITED STATES

MAY 24, 2010

Mr. BAUCUS (for himself and Mr. GRASSLEY) introduced the following bill;
which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged 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 “Veteran Employment
5 Transition Act of 2010”.

6 **SEC. 2. WORK OPPORTUNITY CREDIT FOR CERTAIN RE-**
7 **CENTLY DISCHARGED VETERANS.**

8 (a) IN GENERAL.—Subparagraph (A) of section
9 51(d)(3) of the Internal Revenue Code of 1986 is amended
10 by striking “means any veteran” and all that follows and

1 inserting “means any recently discharged veteran and any
2 disadvantaged veteran.”

3 (b) RECENTLY DISCHARGED VETERAN; DISADVAN-
4 TAGED VETERAN.—Paragraph (3) of section 51(d) of the
5 Internal Revenue Code of 1986 is amended—

6 (1) by redesignating subparagraphs (B) and
7 (C) as subparagraphs (D) and (E), respectively, and

8 (2) by inserting after subparagraph (A) the fol-
9 lowing new subparagraphs:

10 “(B) RECENTLY DISCHARGED VETERAN.—

11 For purposes of subparagraph (A), the term
12 ‘recently discharged veteran’ means—

13 “(i) any individual who has served on
14 active duty (other than active duty for
15 training) in the Armed Forces of the
16 United States for more than 180 total
17 days (whether consecutive or not),

18 “(ii) any individual who has been dis-
19 charged or released from active duty in the
20 Armed Forces of the United States for a
21 service-connected disability, and

22 “(iii) any member of the National
23 Guard who has served for more than 180
24 total days (whether consecutive or not)
25 of—

1 “(I) active duty (within the
2 meaning of title 32, United States
3 Code) other than for training,

4 “(II) full-time National Guard
5 duty (within the meaning of such title
6 32) other than for training,

7 “(III) duty, other than inactive
8 duty or duty for training, in State
9 status (within the meaning of such
10 title 32), or

11 “(IV) any combination of duty
12 described in subclause (I), (II), or
13 (III),

14 who has been discharged or released from such
15 duty at any time during the 5-year period end-
16 ing on the hiring date. Such term shall not in-
17 clude any unemployed veteran who begins work
18 for the employer before the date of the enact-
19 ment of the Veteran Employment Transition
20 Act of 2010.

21 “(C) DISADVANTAGED VETERAN.—For
22 purposes of subparagraph (A), the term ‘dis-
23 advantaged veteran’ means any veteran who is
24 certified by the designated local agency as—

1 “(i) being a member of a family re-
2 ceiving assistance under a supplemental
3 nutrition assistance program under the
4 Food and Nutrition Act of 2008 for at
5 least a 3-month period ending during the
6 12-month period ending on the hiring date,
7 or

8 “(ii) entitled to compensation for a
9 service-connected disability, and—

10 “(I) having a hiring date which is
11 not more than 1 year after having
12 been discharged or released from ac-
13 tive duty in the Armed Forces of the
14 United States, or

15 “(II) having aggregate periods of
16 unemployment during the 1-year pe-
17 riod ending on the hiring date which
18 equal or exceed 6 months.”.

19 (c) CONFORMING AMENDMENTS.—Section 51 of the
20 Internal Revenue Code of 1986 is amended—

21 (1) by striking “(d)(3)(A)(ii)” in paragraph (3)
22 of subsection (b) and inserting “(d)(3)(C)(ii)”,

23 (2) by striking “For purposes of subparagraph
24 (A)” each place it appears in subparagraphs (D)
25 and (E) of subsection (d)(3), as redesignated by

1 subsection (b), and inserting “For purposes of sub-
2 paragraph (C)”,

3 (3) by adding at the end of paragraph (13) of
4 subsection (d) the following new subparagraph:

5 “(D) PRE-SCREENING OF RECENTLY DIS-
6 CHARGED VETERANS.—

7 “(i) IN GENERAL.—For purposes of
8 subparagraph (A), the term ‘pre-screening
9 notice’ shall include any documentation
10 provided to an individual by the Depart-
11 ment of Defense or the National Guard
12 upon release or discharge from the Armed
13 Forces or from service in the National
14 Guard which includes information suffi-
15 cient to establish that such individual is a
16 recently discharged veteran.

17 “(ii) ADDITIONAL CERTIFICATION NOT
18 REQUIRED.—Subparagraph (A) shall be
19 applied without regard to clause (ii)(II)
20 thereof in the case of a recently discharged
21 veteran who provides to the employer docu-
22 mentation described in clause (i).”,

23 (4) by inserting “who begins work for the em-
24 ployer after December 31, 2008, and before the date
25 of the enactment of the Veteran Employment Tran-

1 sition Act of 2010,” after “Any unemployed vet-
2 eran” in subparagraph (A) of subsection (d)(14),
3 and

4 (5) by inserting a comma after “during 2009 or
5 2010” in subparagraph (A) of subsection (d)(14).

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

11 (e) DEPARTMENT OF DEFENSE DOCUMENTATION.—

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

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

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

24 in addition to the documentation which, without re-
25 gard to this subsection, is provided at the time of

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

12 (2) INFORMATIONAL BRIEFING.—In the case of
13 an individual who is discharged or released from
14 duty described in subparagraph (A) or (B) of para-
15 graph (1) after the date of the enactment of this
16 Act, the Department of Defense or the National
17 Guard, whichever is applicable, shall provide a brief-
18 ing to such individual before or at the time of such
19 discharge or release to inform such individual of the
20 credit for employment of recently discharged vet-
21 erans under section 51 of the Internal Revenue Code
22 of 1986.

23 (3) REQUEST FOR DOCUMENTATION.—The De-
24 partment of Defense or the National Guard, which-
25 ever is applicable, shall provide upon request the

1 documentation described in paragraph (1) to any in-
2 dividual who is discharged or released from duty de-
3 scribed in subparagraph (A) or (B) of paragraph (1)
4 during the 5-year period preceding and including the
5 date of the enactment of this Act.

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

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

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

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

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

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