

113TH CONGRESS  
1ST SESSION

# S. 140

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 Veterans 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.

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## IN THE SENATE OF THE UNITED STATES

JANUARY 24 (legislative day, JANUARY 3), 2013

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

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## 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 Veterans 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.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1 **TITLE I—WORK OPPORTUNITY**  
2 **CREDIT FOR RECENTLY DIS-**  
3 **CHARGED VETERANS**

4 **SEC. 101. SHORT TITLE.**

5 This title may be cited as the “Veteran Employment  
6 Transition Act of 2013”.

7 **SEC. 102. WORK OPPORTUNITY CREDIT FOR CERTAIN RE-**  
8 **CENTLY DISCHARGED VETERANS.**

9 (a) **IN GENERAL.**—Subparagraph (A) of section  
10 51(d)(3) of the Internal Revenue Code of 1986 is amended  
11 by striking “means any veteran who is” and inserting  
12 “means any recently discharged veteran, or any veteran  
13 if such veteran is”.

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

17 (1) by redesignating subparagraph (C) as sub-  
18 paragraph (D), and

19 (2) by inserting after subparagraph (B) the fol-  
20 lowing new subparagraph:

21 “(C) **RECENTLY DISCHARGED VETERAN.**—

22 For purposes of subparagraph (A), the term

23 ‘recently discharged veteran’ means—

1           “(i) any individual who is described in  
2           clause (i) of subparagraph (B) (without re-  
3           gard to certification), and

4           “(ii) any member of the National  
5           Guard who has served for more than 180  
6           consecutive days of—

7                   “(I) active duty (within the  
8                   meaning of title 32, United States  
9                   Code) other than for training,

10                   “(II) full-time National Guard  
11                   duty (within the meaning of such title  
12                   32) other than for training,

13                   “(III) duty, other than inactive  
14                   duty or duty for training, in State  
15                   status (within the meaning of such  
16                   title 32), or

17                   “(IV) any combination of duty  
18                   described in subclause (I), (II), or  
19                   (III),

20           who has been discharged or released from duty  
21           meeting such requirements at any time during  
22           the 5-year period ending on the hiring date.  
23           Such term shall not include any veteran who  
24           begins work for the employer before the date of

1           the enactment of the Veteran Employment  
2           Transition Act of 2013.”.

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

5           (1) by adding at the end of paragraph (13) the  
6 following new subparagraph:

7                   “(E) PRE-SCREENING OF RECENTLY DIS-  
8 CHARGED VETERANS.—

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

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

1           (2) by striking paragraph (14).

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

7           (e) DEPARTMENT OF DEFENSE DOCUMENTATION.—

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

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

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

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

1 ceding sentence does not include information suffi-  
2 cient to satisfy the requirements of section  
3 51(d)(13)(E)(i) of the Internal Revenue Code of  
4 1986 (as added by this Act), the Department of De-  
5 fense or the National Guard, whichever is applicable,  
6 shall provide additional documentation which in-  
7 cludes such information.

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

20 (3) REQUEST FOR DOCUMENTATION.—The De-  
21 partment of Defense or the National Guard, which-  
22 ever is applicable, shall provide upon request the  
23 documentation required by paragraph (1) to any in-  
24 dividual who is discharged or released from duty de-  
25 scribed in subparagraph (A) or (B) of such para-

1 graph during the 5-year period preceding and in-  
 2 cluding the date of the enactment of this Act.

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

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

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

13 (C) the dates during which the credit  
 14 under such section 51 is available.

15 Such instructions shall be developed in collaboration  
 16 with the Internal Revenue Service.

17 **TITLE II—VETERAN EMPLOY-**  
 18 **MENT AND TRAINING SERV-**  
 19 **ICES**

20 **SEC. 201. SHORT TITLE.**

21 This title may be cited as the “Veteran Employment  
 22 and Training Services Act of 2013” or the “VETS Act”.

23 **SEC. 202. DEFINITIONS.**

24 In this title:

1           (1) **DISABLED VETERAN.**—The term “disabled  
2           veteran” has the meaning given the term in section  
3           4211 of title 38, United States Code.

4           (2) **ECONOMICALLY AND EDUCATIONALLY DIS-**  
5           **ADVANTAGED VETERAN.**—The term “economically  
6           and educationally disadvantaged veteran” means  
7           such a veteran, within the meaning of chapter 41 of  
8           title 38, United States Code.

9           (3) **REHABILITATION PLAN.**—The term “reha-  
10          bilitation plan” means an individualized plan formu-  
11          lated for a veteran under section 3107 of title 38,  
12          United States Code, that has an employment objec-  
13          tive.

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

17          (5) **VETERAN JOB TRAINING PROGRAM.**—The  
18          term “veteran job training program” means—

19                (A) the Disabled Veterans’ Outreach Pro-  
20                gram carried out under section 4103A of title  
21                38, United States Code;

22                (B) the Homeless Veterans Reintegration  
23                Program carried out under section 2021 of that  
24                title;



1 (C) the Local Veterans' Employment Rep-  
2 resentative Program carried out under section  
3 4104 of that title;

4 (D) the Transition Assistance Program  
5 carried out under section 1144 of title 10,  
6 United States Code;

7 (E) the Veterans Workforce Investment  
8 Program carried out under section 168 of the  
9 Workforce Investment Act of 1998 (29 U.S.C.  
10 2913); and

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

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

17 **SEC. 203. COORDINATION BETWEEN SECRETARY OF LABOR,**  
18 **SECRETARY OF VETERANS AFFAIRS, AND**  
19 **SECRETARY OF DEFENSE ON VETERAN JOB**  
20 **TRAINING.**

21 Not later than 1 year after the date of enactment  
22 of this Act, the Secretary of Labor, the Secretary of Vet-  
23 erans Affairs, and the Secretary of Defense shall enter  
24 into an agreement, covering the 3 departments involved,  
25 to govern the coordination of veteran job training services.

1 **SEC. 204. IMPLEMENTATION REPORTS ON VETERAN JOB**  
2 **TRAINING PROGRAMS.**

3 (a) REPORT REQUIRED.—The Secretary of Veterans  
4 Affairs and the Secretary of Labor shall prepare an initial  
5 and a final report on the veteran job training programs  
6 of the Department of Veterans Affairs and Department  
7 of Labor as described in this section.

8 (b) DEPARTMENT OF VETERANS AFFAIRS.—The  
9 Secretary of Veterans Affairs shall include in each of the  
10 reports required by subsection (a), with regard to the De-  
11 partment of Veterans Affairs, information describing each  
12 of the following:

13 (1) The actions taken by the department to en-  
14 sure that States receive sufficient guidance to com-  
15 ply with Federal laws regarding veteran job training  
16 programs.

17 (2) The extent to which the department re-  
18 viewed and incorporated into its operations—

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

24 (B) the conclusions of the Credentialing  
25 and Licensing Task Force of the Department of  
26 Defense.

1           (3) The extent to which veterans' employment  
2 outcomes result from participation in veteran job  
3 training programs rather than from other factors.

4           (4) Actions taken by the department to ensure  
5 that veterans with a rehabilitation plan receive vet-  
6 eran job training services consistent with the reha-  
7 bilitation plan.

8           (5) Efforts taken by the department to better  
9 serve veterans living in rural communities.

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

14           (1) The matters referred to in paragraphs (1),  
15 (2), (3), and (5) of subsection (a).

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

21           (3) The progress of the department in clari-  
22 fying its approach to determining which participants  
23 in the Disabled Veterans Outreach Program carried  
24 out under section 4103A of title 38, United States  
25 Code, shall receive intensive services (as defined in

1 section 134(d)(3) of the Workforce Investment Act  
2 of 1998 (29 U.S.C. 2864(d)(3)).

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

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

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

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

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

1 **SEC. 205. 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 or more than five” and inserting “the MOS 31B  
9 Military Police, MOS 15Q AC-Air Traffic Controller, and  
10 MOS 12M Fire Protection military occupational special-  
11 ties and not fewer than three and not more than five addi-  
12 tional”.

13 **SEC. 206. RULE OF CONSTRUCTION.**

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

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

19 **SEC. 301. SHORT TITLE.**

20 This title may be cited as the “Honoring Promises  
21 to Service-Disabled Veterans Act of 2013”.

1 **SEC. 302. TRANSPARENCY IN CONTRACTING GOALS FOR**  
 2 **SMALL BUSINESS CONCERNS OWNED AND**  
 3 **CONTROLLED BY SERVICE-DISABLED VET-**  
 4 **ERANS.**

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

7 “(s) TRANSPARENCY IN CONTRACTING GOALS FOR  
 8 SMALL BUSINESS CONCERNS OWNED AND CONTROLLED  
 9 BY SERVICE-DISABLED VETERANS.—

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

11 “(A) the term ‘covered contractor’ means a  
 12 contractor that is required to submit a subcon-  
 13 tracting plan under section 8(d) to an Execu-  
 14 tive department;

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

18 “(C) the term ‘physically completed’ has  
 19 the meaning given that term in section 4.804–  
 20 4 of the Federal Acquisition Regulation, or any  
 21 successor thereto.

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

1           “(A) the percentage of the total value of  
2 all prime contracts awarded by the Executive  
3 department to small business concerns owned  
4 and controlled by service-disabled veterans dur-  
5 ing the 1-year period ending on the date of the  
6 report;

7           “(B) the name of each covered contractor  
8 to which the Executive department awards a  
9 contract;

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

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

17                   “(ii) if the contract is physically com-  
18 pleted during the 1-year period ending on  
19 the date of the report, the percentage of  
20 the total value of subcontracts entered into  
21 by the covered contractor awarded to small  
22 business concerns owned and controlled by  
23 service-disabled veterans;

24           “(D) the weighted average percentage goal  
25 negotiated by each covered contractor under

1 section 8(d)(6)(A) for the utilization as sub-  
2 contractors of small business concerns owned  
3 and controlled by service-disabled veterans for  
4 all contracts awarded by the Executive depart-  
5 ment to the covered contractor;

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

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

20 “(3) RANKINGS.—For the first full fiscal year  
21 following the date of enactment of this subsection,  
22 and each fiscal year thereafter, the Administrator  
23 shall rank—

24 “(A) the Executive departments, based  
25 on—



1           “(i) the percentage of the total value  
2           of prime contracts awarded by the Execu-  
3           tive departments to small business con-  
4           cerns owned and controlled by service-dis-  
5           abled veterans; and

6           “(ii) the percentage of the total value  
7           of subcontracts awarded by covered con-  
8           tractors that are awarded contracts by the  
9           Executive departments to small business  
10          concerns owned and controlled by service-  
11          disabled veterans; and

12          “(B) covered contractors, based on the  
13          percentage of the total value of subcontracts  
14          awarded by the covered contractors to small  
15          business concerns owned and controlled by serv-  
16          ice-disabled veterans.

17          “(4) PUBLICATION.—

18                 “(A) WEBSITE.—Except as provided in  
19                 subparagraph (B), the Administrator shall pub-  
20                 lish on a website accessible to the public a user-  
21                 friendly, electronically searchable report con-  
22                 taining—

23                         “(i) the information submitted to the  
24                         Administrator under paragraph (2); and

1                   “(ii) the rankings made by the Ad-  
2                   ministrators under paragraph (3).

3                   “(B) EXCEPTION FOR NATIONAL SECUR-  
4                   ITY.—If the head of an Executive department  
5                   determines that publication of information con-  
6                   tained in a report submitted under paragraph  
7                   (2) would be detrimental to national security,  
8                   the Administrator shall not publish the infor-  
9                   mation on the website described in subpara-  
10                  graph (A).

11                  “(C) UPDATING.—The Administrator shall  
12                  update the contents of the website described in  
13                  subparagraph (A) not less frequently than an-  
14                  nually.

15                  “(5) REPORTS TO CONGRESS.—

16                  “(A) ANNUAL REPORT.—The Adminis-  
17                  trator shall submit to Congress an annual re-  
18                  port on the progress of each Executive depart-  
19                  ment toward meeting the Government-wide  
20                  goals for contracting and subcontracting estab-  
21                  lished under subsection (g).

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

24                         “(i) a statement of whether the  
25                         website described in paragraph (4) con-

1           tains the latest data reported to the Ad-  
2           ministrators by the Executive departments;  
3           and

4           “(ii) a recommendation of a prime  
5           contractor that should be recognized by  
6           Congress for outstanding progress in con-  
7           tracting with small business concerns  
8           owned and controlled by service-disabled  
9           veterans.

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

○