

AN ACT

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IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

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*Codification  
District of  
Columbia  
Official Code*

2001 Edition

2009 Summer  
Supp.

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Publisher

To amend, on a temporary basis, Chapter 18 of Title 47 of the District of Columbia Official Code to provide a tax credit, subject to certain limitations, equal to 10% of the wages paid by an employer to a qualified veteran during the first 24 calendar months in which the employer employs the qualified veteran.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Employment of Returning Veteran’s Tax Credit Temporary Act of 2009”.

Sec. 2. Chapter 18 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents for Chapter 18 is amended as follows:

(1) Add the phrase “47-1806.12. Tax credit for hiring qualified veterans.” after the phrase “47-1806.11. Tax on residents and nonresidents - Credits - energy conservation credit. Repealed.”.

(2) Add the phrase “47-1807.09. Tax credit for hiring qualified veterans.” after the phrase “47-1807.08. Tax credit for unincorporated businesses that provide an employee paid leave to serve as an organ or bone marrow donor.”.

(3) Add the phrase “47-1808.09. Tax credit for hiring qualified veterans.” after the phrase “47-1808.08. Tax credit for corporations that provide an employee paid leave to serve as an organ or bone marrow donor.”.

(b) A new section 47-1806.12 is added to read as follows:

“§ 47-1806.12. Tax credit for hiring qualified veterans.

“(a) For the purposes of this section, the term:

“(1) “Armed Forces” shall include any branch of the United States Military, including the Army, Navy, Marines, Air Force, Coast Guard, or any National Guard or reserve deployment lasting 6 continuous months or longer.

“(2) “Qualified veteran” means an individual subject to the District’s personal

income tax who:

“(A) Has previously served in a branch of the Armed Forces and who was honorably or generally discharged;

“(B) Is not currently employed in a facility owned or operated by the District business with an exemption under § 47-4605;

“(C) Is hired to fill a position of indefinite duration consisting of a minimum of 35 hours per week for not less than 48 weeks per year;

“(D) Is hired within 5 years after being discharged from the Armed Forces or within 2 years of a continuous 6-month National Guard deployment;

“(E) Is a District resident at the time of hiring and maintains District residency for the duration of the 2-year tax credit period; and

“(F) Is not currently employed in a facility owned or operated by the District business seeking the tax credit under this section.

“(b) For taxable years beginning on or after January 1, 2009, an employer shall be allowed a credit against the tax imposed by § 47-1806.03 in an amount equal to 10% of the wages paid by the employer to a qualified veteran during the first 24 calendar months in which the employer employs the qualified veteran. The credit under this section shall not exceed \$5,000 in the aggregate for each qualified veteran who is employed.

“(c) The maximum annual credit allowed under this section shall not exceed the lesser of:

“(1) Ten percent of the wages paid to a qualified veteran during the tax year in which the credit is claimed;

“(2) The total income taxes imposed on the business during the tax year in which the credit is sought; or

“(3) A total of \$2,500 for each qualified veteran.

“(d) The credit under subsection (b) of this section shall not be valid:

“(1) For any wages paid in a calendar month in which the employer has not employed the qualified veteran for at least 90 hours;

“(2) If the employer pays the qualified veteran less than the greater of the legal minimum wage or the wage the employer pays other employees in similar jobs;

“(3) If the employer accords the qualified veteran lesser benefits or rights than the employer accords other employees in similar jobs;

“(4) If the qualified veteran was employed as the result of the displacement, other than for cause, of another employee, or as the result of a strike or lockout, a layoff in which other employees are awaiting recall, or a reduction of the regular wages, benefits, or rights of other employees in similar jobs;

“(5) If the employer does not meet, with respect to the employment of the qualified veteran, all federal and District laws and regulations, including those concerning health, safety, child labor, work/hour, and equal employment opportunity;

“(6) If the qualified veteran is a member of the board of directors of the business, directly or indirectly owns a majority of its stock, or is related to a member of the board of directors or a majority stockholder as a spouse or as any relative listed in the definition of dependent in section 152 of the Internal Revenue Code of 1986 without regard to source of income; or

“(7) If the qualified veteran moves his or her residence outside the District of Columbia during the 24-month period.”.

(c) A new section 47-1807.09 is added to read as follows:

“§ 47-1807.09. Tax credit for hiring qualified veterans.

“(a) For the purposes of this section, the term:

“(1) “Armed Forces” shall include any branch of the United States Military, including the Army, Navy, Marines, Air Force, Coast Guard, or any National Guard or reserve deployment lasting 6 continuous months or longer.

“(2) “Qualified veteran” means an individual subject to the District’s personal income tax who:

“(A) Has previously served in a branch of the Armed Forces and who was honorably or generally discharged;

“(B) Is not currently employed in a facility owned or operated by the District business with an exemption under § 47-4605;

“(C) Is hired to fill a position of indefinite duration consisting of a minimum of 35 hours per week for not less than 48 weeks per year;

“(D) Is hired within 5 years after being discharged from the Armed Forces or within 2 years of a continuous 6-month National Guard deployment;

“(E) Is a District resident at the time of hiring and maintains District residency for the duration of the 2-year tax credit period; and

“(F) Is not currently employed in a facility owned or operated by the District business seeking the tax credit under this section.

“(b) For taxable years beginning on or after January 1, 2009, an employer shall be allowed a credit against the tax imposed by § 47-1807.02 in an amount equal to 10% of the wages paid by the employer to a qualified veteran during the first 24 calendar months in which the employer employs the qualified veteran. The credit under this section shall not exceed \$5,000 in the aggregate for each qualified veteran who is employed.

“(c) The maximum annual credit allowed under this section shall not exceed the lesser of:

“(1) Ten percent of the wages paid to a qualified veteran during the tax year in which the credit is claimed;

“(2) The total income taxes imposed on the business during the tax year in which the credit is sought; or

“(3) A total of \$2,500 for each eligible veteran.

“(d) The credit under subsection (b) of this section shall not be valid:

“(1) For any wages paid in a calendar month in which the employer has not employed the qualified veteran for at least 90 hours;

“(2) If the employer pays the qualified veteran less than the greater of the legal minimum wage or the wage the employer pays other employees in similar jobs;

“(3) If the employer accords the qualified veteran lesser benefits or rights than the employer accords other employees in similar jobs;

“(4) If the qualified veteran was employed as the result of the displacement, other than for cause, of another employee, or as the result of a strike or lockout, a layoff in which other employees are awaiting recall, or a reduction of the regular wages, benefits, or rights of other employees in similar jobs;

“(5) If the employer does not meet, with respect to the employment of the qualified veteran, all federal and District laws and regulations, including those concerning health, safety, child labor, work/hour, and equal employment opportunity;

“(6) If the qualified veteran is a member of the board of directors of the business, directly or indirectly owns a majority of its stock, or is related to a member of the board of directors or a majority stockholder as a spouse or as any relative listed in the definition of dependent in section 152 of the Internal Revenue Code of 1986 without regard to source of income; or

“(7) If the qualified veteran moves his or her residence outside the District of Columbia during the 24-month period.”.

(d) A new section 47-1808.09 is added to read as follows:

“§ 47-1808.09. Tax credit for hiring qualified veterans.

“(a) For the purposes of this section, the term:

“(1) “Armed Forces” shall include any branch of the United States Military, including the Army, Navy, Marines, Air Force, Coast Guard, or any National Guard or reserve deployment lasting 6 continuous months or longer.

“(2) “Qualified veteran” means an individual subject to the District’s personal income tax who:

“(A) Has previously served in a branch of the Armed Forces and who was honorably or generally discharged;

“(B) Is not currently employed in a facility owned or operated by the District business with an exemption under § 47-4605;

“(C) Is hired to fill a position of indefinite duration consisting of a minimum of 35 hours per week for not less than 48 weeks per year;

“(D) Is hired within 5 years after being discharged from the Armed Forces or within 2 years of a continuous 6-month National Guard deployment;

“(E) Is a District resident at the time of hiring and maintains District residency for the duration of the 2-year tax credit period; and

“(F) Is not currently employed in a facility owned or operated by the District business seeking the tax credit under this section.

“(b) For taxable years beginning on or after January 1, 2009, an employer shall be allowed a credit against the tax imposed by § 47-1808.03 in an amount equal to 10% of the wages paid by the employer to a qualified veteran during the first 24 calendar months in which the employer employs the qualified veteran. The credit under this section shall not exceed \$5,000 in the aggregate for each qualified veteran who is employed.

“(c) The maximum annual credit allowed under this section shall not exceed the lesser of:

“(1) Ten percent of the wages paid to a qualified veteran during the tax year in which the credit is claimed;

“(2) The total income taxes imposed on the business during the tax year in which the credit is sought; or

“(3) A total of \$2,500 for each eligible veteran.

“(d) The credit under subsection (b) of this section shall not be valid:

“(1) For any wages paid in a calendar month in which the employer has not employed the qualified veteran for at least 90 hours;

“(2) If the employer pays the qualified veteran less than the greater of the legal minimum wage or the wage the employer pays other employees in similar jobs;

“(3) If the employer accords the qualified veteran lesser benefits or rights than the employer accords other employees in similar jobs;

“(4) If the qualified veteran was employed as the result of the displacement, other than for cause, of another employee, or as the result of a strike or lockout, a layoff in which other employees are awaiting recall, or a reduction of the regular wages, benefits, or rights of other employees in similar jobs;

“(5) If the employer does not meet, with respect to the employment of the qualified veteran, all federal and District laws and regulations, including those concerning health, safety, child labor, work/hour, and equal employment opportunity;

“(6) If the qualified veteran is a member of the board of directors of the business, directly or indirectly owns a majority of its stock, or is related to a member of the board of directors or a majority stockholder as a spouse or as any relative listed in the definition of dependent in section 152 of the Internal Revenue Code of 1986 without regard to source of income; or

“(7) If the qualified veteran moves his or her residence outside the District of Columbia during the 24 month period.”.

### Sec. 3. Applicability.

This act shall apply upon the inclusion of its fiscal effect in an approved budget and financial plan.

**Sec. 4. Fiscal impact statement.**

The Council adopts the fiscal impact statement of the Chief Financial Officer, dated December 16, 2008, as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

**Sec. 5. Effective date.**

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

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Chairman  
Council of the District of Columbia

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Mayor  
District of Columbia