AN ACT to amend article twenty-one, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section forty-two; to amend article twenty-four of said chapter by adding thereto a new section, designated section twelve; and to amend chapter twenty-one-a of said code by adding thereto a new article, designated article two-a, all relating to the establishment of an economically disadvantaged veterans incentive program; the intent and purpose of the Legislature; definitions; providing a tax credit for employers who employ certain veterans for a certain period of time; specifying the nature and amount of the tax credit; setting forth restrictions and limitations on eligibility for the tax credit; providing for program administration by the division of employment service of the department of employment security; providing for the tax credit to be applied to either personal income or corporate net income tax liability; and requiring the state tax commissioner to provide by rule or regulation for the filing of claims for the tax credit established herein.

Be it enacted by the Legislature of West Virginia:
That article twenty-one, chapter eleven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section forty-two; that article twenty-four of said chapter be
amended by adding thereto a new section, designated section
twelve; and that chapter twenty-one-a of said code be amended
by adding thereto a new article, designated article two-a, all
to read as follows:

CHAPTER 11. TAXATION.

ARTICLE 21. PERSONAL INCOME TAX.

§11-21-42. Veterans incentive tax credit.

1. Every employer entitled to receive a tax credit against
his West Virginia personal income tax liability as pro-
vided in article two-a, chapter twenty-one-a of this code
shall receive the credit for the period and in the amount
specified in said article two-a. The state tax commis-
sioner shall provide by appropriate rule or regulation for
the reporting, filing and application of claims of the tax
credit provided for in a manner in conformity with the
legislative purpose as declared in section two, article
two-a, chapter twenty-one-a of this code.

ARTICLE 24. CORPORATION NET INCOME TAX.

§11-24-12. Veterans incentive tax credit.

1. Every employer entitled to receive a tax credit against
its West Virginia corporate net income tax liability as
provided in article two-a, chapter twenty-one-a of this
code, shall receive the credit for the period and in the
amount specified in said article two-a of this chapter.
The state tax commissioner shall provide by appropriate
rule or regulation for the reporting, filing and application
of claims for the tax credit provided for in a manner in
conformity with the legislative purpose as declared in
section two, article two-a, chapter twenty-one-a of this
code.

CHAPTER 21A. UNEMPLOYMENT COMPENSATION.

ARTICLE 2A. VETERANS INCENTIVE PROGRAM.


1. This article shall be known and may be cited as the
2. "Veterans Incentive Program Act of 1984."

The Legislature of West Virginia hereby recognizes that disabled veterans and economically disadvantaged veterans of the Vietnam era and of the Korean conflict have made sacrifices which merit preferential employment treatment in both the public and private sectors. Economically disadvantaged and disabled veterans traditionally suffer a disproportionately higher unemployment rate than that of nonveterans of similar age and skills. It is the intent and purpose of the Legislature to encourage the employment of these veterans in the private sector by providing tax credits for private sector employers who employ economically disadvantaged Vietnam era and Korean conflict veterans, and disabled veterans generally.


For the purposes of this article:

(a) "Active duty" means full-time duty in the armed forces, other than duty for training in the reserves or national guard. Any period of duty for training in the reserves or national guard, including authorized travel, during which an individual was disabled from a disease or injury incurred or aggravated in line of duty, is considered "active duty."

(b) "Economically disadvantaged" means a person who:

(1) Receives, or is a member of a family which receives, cash welfare payments under a federal, state or local welfare program;

(2) Has, or is a member of a family which has, received a total family income for the six months prior to application which, in relation to family size, was not in excess of the higher of

(i) The poverty level determined in accordance with criteria established by the federal office of management and budget; or

(ii) Seventy percent of the lower living standard income level;
(3) Is receiving food stamps pursuant to the food stamp act of one thousand nine hundred seventy-seven;
(4) Is a foster child on behalf of whom state or local government payments are made; or
(5) Is an adult handicapped individual whose own income meets the requirements of subdivisions (1) and (2) of this section, but who is a member of a family whose income does not meet such requirements.

(c) "Korean conflict veteran" means a person who served in the armed services of the United States at least one day during the period of time beginning the twenty-seventh day of June, one thousand nine hundred fifty, and extending through the thirty-first day of January, one thousand nine hundred fifty-five.

(d) "Veteran" means a member of the United States armed forces who:
(1) Served on active duty for a period of more than one hundred eighty days and was discharged or released therefrom with other than a dishonorable discharge; or
(2) Was discharged or released from active duty because of a service-connected disability.

(e) "Vietnam era veteran" means a person who served in the armed services of the United States at least one day during the period of time beginning the fifth day of August, one thousand nine hundred sixty-four, and extending through the seventh day of May, one thousand nine hundred seventy-five.

§21A-2A-4. Tax credit; eligibility; amount.

(a) Each person, partnership or corporation which employs an economically disadvantaged Vietnam era or Korean conflict veteran, or a disabled veteran for a continuous period of one year, except as otherwise provided in this article, shall be entitled to an appropriate tax credit for each such veteran so employed. In the case of a person or partnership so employing a veteran, the tax credit provided for in this section shall be applied against the employer's personal income tax liability. In the case of a corporation so employing a veteran, the tax
credit provided for in this section shall be applied against
the corporation's corporate net income tax liability. This
tax credit shall be nonassignable and may not exceed
an employer's total tax liability with respect to the specific
tax against which the tax credit is required to be applied.

(b) The amount of the tax credit allowed under sub-
section (a) of this section shall be an amount equal to
the following:

(1) For each economically disadvantaged Vietnam
era or Korean conflict veteran employed as described in
subsection (a), the amount of the tax credit allowed
shall be thirty percent of the employee's wage base. For
the purposes of this section, the employee's wage base
is the first two thousand dollars in wages or compensa-
tion actually paid to the employee by the employer; and

(2) For each disabled veteran employed as described
in subsection (a), the amount of the tax credit allowed
shall be a percentage equal to the percentage of dis-
ability suffered by the veteran multiplied by the em-
ployee's wage base. The employee's wage base is the
same as provided in subdivision (1) of this subsection.
The percentage of disability referred to in this subdivi-
sion means the percentage of compensation for service
connected disability as determined by the veterans ad-
ministration of the United States.


(a) An employer may not claim a tax credit provided
for in this article for any veteran employed for less than
a continuous period of one year, unless:

(1) The veteran voluntarily leaves employment with
the employer;

(2) The veteran becomes totally disabled and unable
to continue his employment; or

(3) The veteran is terminated for good cause shown.

In the event that the veteran is employed for less
than a one-continuous-year period due to circumstances
enumerated in subdivision (1), (2) or (3) above, the
employer shall be entitled to a partial tax credit in a
proportional amount corresponding to the ratio of the
time period during which the veteran was actually em-
ployed to the one-year period required for a full tax
credit multiplied by the amount of the full tax which
would have accrued to the employer had the veteran's
employment continued for a full year.

(b) An employer may not claim tax credit provided
for in this article for any veteran who is employed and
displaces a person already employed. In addition, no
tax credit may be claimed for the employment of any
veteran for whom the employer is receiving job train-
ing payments from either the federal or state govern-
ment. Nothing in this section prohibits an employer
from receiving tax credits from both the federal and
state governments under similar targeted jobs programs
if the employer is otherwise qualified to receive both.


The program established by this article shall be con-
ducted primarily under the direction of the division of
employment service of the department of employment
security. Each veteran who qualifies under this article
for participation in this program shall be given, upon
request, a voucher from a local employment service
office certifying that the veteran is eligible for partici-
pation in the program described in this article. The
voucher shall be in a form prescribed by the commis-
sioner of employment security and the commissioner
may conduct such investigations and collect such data
as he deems necessary to ensure that each veteran apply-
ing for the voucher is actually qualified for participation
in the program.

When an employer employs a veteran who presents the
voucher herein provided for, the employer shall submit
the voucher along with basic information to the depart-
ment of employment security as may be required for
participation in this program. Each year, the commis-
sioner of the department of employment security shall
certify to the state tax commissioner a list of employers
who may be qualified to receive a tax credit under this
program. In order to receive the appropriate tax credit, an employer must file for the tax credit provided for under this article as required by section forty-two, article twenty-one, chapter eleven of this code or by section twelve, article twenty-four, chapter eleven of this code.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James L. Davis
Chairman Senate Committee

Donald Anello
Chairman House Committee

Originated in the Senate.

In effect July 1, 1984.

J. C. West
Clerk of the Senate

Donald L. Hess
Clerk of the House of Delegates

Walter H. Schoenau
President of the Senate

John W. Hanger, Jr.
Speaker House of Delegates

The within...approved this the 29 day of March, 1984.

Governor