

CHAPTER 381
FORMERLY
HOUSE BILL NO. 275
AS AMENDED BY
SENATE AMENDMENT NO. 2

AN ACT TO AMEND TITLE 30 OF THE DELAWARE CODE RELATING TO DELAWARE TAX CREDITS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. Amend Title 30 of the Delaware Code by making insertions as shown by underlining as follows:

Chapter 20A. Veterans' Opportunity Credit.

§20A-100. Declaration of Purpose.

The purpose of this Act shall be to provide Delaware's employers with an incentive to hire veterans who have served in overseas conflicts since 2001. Upon their return home, these veterans face a difficult job market and have experienced relatively high rates of unemployment. The tax credit created by this Act is designed to work in conjunction with the combined efforts of the Departments of Labor and Finance, the Delaware Economic Development Office, and veterans' organizations throughout the State to develop and implement comprehensive and coordinated measures designed to assist these veterans as they transition to civilian life.

§ 20A-101. Definitions.

For purposes of this chapter:

(1) "Gross wages" means that part of the sum reported on Form W-2, or equivalent form of the United States Department of Treasury, Internal Revenue Service as "Medicare wages and tips" that is attributable to Delaware sources.

(2) "Qualified employer" means an employer located in Delaware which hires and employs one or more qualified veterans.

(3) "Qualified military service" means military service for which a veteran received: (i) the Afghanistan Campaign Medal; (ii) the Iraq Campaign Medal; or (iii) the Global War on Terrorism Expeditionary Medal.

(4) "Qualified veteran" means either a Delaware resident who engaged in qualified military service, or a nonresident who, as member of the Delaware National Guard, engaged in qualified military service, and who: (i) has provided to the qualified employer documentation showing that he or she was honorably discharged or is a current member of a National Guard or Reserve unit; and (ii) was initially hired by the qualified employer on or after January 1, 2012 and prior to January 1, 2016.

(5) "Secretary" means the Secretary of the Department of Finance described in § 8302 of Title 29.

(6) "Sustained employment" means a period of employment that is not less than 185 days during the taxable year.

§ 20A-102. Credit for wages paid to qualified veterans.

(a) Subject to the limitations contained in § 20A-103 of this title and to such return requirements as may be imposed by the State Bank Commissioner, the Insurance Commissioner, or the Secretary, qualified employers shall be eligible during the year in which a qualified veteran is hired and for the 2 taxable years thereafter for credits against the taxes imposed by the following statutory provisions:

(1) Chapter 11 of Title 5;

(2) Chapter 19 of this title;

(3) Chapter 11 of this title;

(4) Sections 702 and 703 of Title 18.

(b) The amount of the credit against the tax shall equal 10%, but in no event to exceed \$1,500, of the gross wages paid by the qualified employer to a qualified veteran in the course of that veteran's sustained employment during the taxable year.

(c) To the extent a qualified employer's credits exceed any amounts otherwise due for the taxes and fees listed under § 20A-102(a) of this title, such unused credits shall be paid to it in the nature of tax refunds.

§ 20A-103. Limitations.

Notwithstanding § 20A-102 of this title, no qualified veterans counted for purposes of Veterans' Opportunity credits under this subchapter may be included in the calculation of employment for purposes of claiming tax credits provided by subchapters II, III, IX and X of chapter 20 of this title.

§ 20A-104. Rules and Regulations.

The Director of Revenue is authorized to promulgate rules and regulations not inconsistent with this chapter and require such facts and information to be reported as the Director deems necessary for administration and enforcement of this chapter. No rule or regulation adopted pursuant to the authority granted by this section shall extend, modify or conflict with any law of this State or the reasonable implications thereof.

Section 2. This Act shall be effective for qualified veterans hired on or after January 1, 2012.

Approved July 31, 2012