



*Senate of Pennsylvania*

*Senator Anthony H. Williams*

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**TO:** All Senators

**FROM:** Senator Anthony H. Williams

**DATE:** September 30, 2011

**SUBJECT:** Co-sponsorship of Legislation – **Tax Credit for Hiring Veterans**

In the near future, I will introduce legislation that will establish a tax credit that Pennsylvania businesses can claim for hiring unemployed veterans. This legislation will help to bolster Pennsylvania's economy by creating new jobs and also aid service men and women who have been hit especially hard by the economic downturn.

This legislation will amend the Tax Reform Code of 1971 by creating a tax credit for businesses that hire a person who has served in the armed forces, including the reserve components and National Guard, who has been discharged from active service under honorable conditions. A business may claim a \$1,200 tax credit for hiring a short-term unemployed veteran or a \$2,400 for hiring a long-term unemployed veteran. "Short-term" unemployment is defined as less than six months and "long term" unemployment is defined as longer than six months. Additionally, a business may claim another \$2,400 tax credit for hiring a disabled veteran. In order to prevent a business from dismissing or furloughing current employees to claim the tax credit, the unemployed veteran must be a new hire.

As of August 2011, Pennsylvania has an unemployment rate of 8.2%. Veterans throughout the Commonwealth have had an especially difficult time finding work, notably in metropolitan areas. According to the Center for Workforce Information and Analysis, veterans between the ages of 20 and 24 have an unemployment rate of 18.7%. Veterans of Operation Iraqi Freedom and Operation Enduring Freedom have an unemployment rate of 16.6%. My legislation will provide our veterans some well-deserved support by giving employers extra-incentive to consider these individuals for employment opportunities.

If you wish to co-sponsor this legislation or require further details, please contact Donald Gordon, Esq., in my office at 787-5970 or at [dgordon@pasenate.com](mailto:dgordon@pasenate.com).