

Veteran Tax Credits

Work Opportunity Tax Credit

Under the new “Vow to Hire Heroes Act”, employers can receive a tax credit up to \$9,600 for hiring an unemployed veteran. Tax credits are based on the veteran’s length of unemployment and service-connected disability status.

The new employee must belong to one of the following categories of qualified veterans:

Target Group	Max Tax Credit (25% of wages if 120 hrs worked)	Max Tax Credit (40% of wages if 400 hrs worked)
Vet Receiving SNAP	Up to \$1,500	\$2,400
Disabled Vet (hired w/in 1 year)	Up to \$3,000	\$4,800
Disabled Vet (unemployed 6 months)	Up to \$6,500	\$9,600
Unemployed Vet (4 weeks)	Up to \$1,500	\$2,400
Unemployed Vet (6 months)	Up to \$3,500	\$5,600

- **Veterans receiving Supplemental Nutrition Assistance Program (SNAP)** benefits for at least a 3-month period during the 12-month period ending on the date of hire; **or**
- **Veterans entitled to compensation for a service-connected disability** hired within 1 year of discharge or release from active duty; **or**
- **Veterans entitled to compensation for a service-connected disability** unemployed for at least 6 months during the 1-year period ending on the hiring date; **or**
- **Veterans unemployed for at least 4 weeks (but less than 6 months)** during the 1-year period ending on the hiring date; **or**
- **Veterans unemployed for at least 6 months** during the 1-year period ending on the hiring date.

3 Simple Steps to Apply:

Employers apply for and receive certification from their State Workforce Agency (SWA) that the new hire is a member of a qualified veteran group before they can claim WOTC. To apply:

1. Complete page 1 of [IRS Form 8850](#), Pre-screening Notice and Certification Request for the Work Opportunity Credit, by the date of the job offer and page 2 after the individual is hired;

AND

2. Complete one of the following US Department of Labor forms:

- [ETA Form 9061](#), Individual Characteristics Form, if the new hire has not been given an ETA Form 9062; **or**
 - [ETA Form 9062](#), Conditional Certification Form, if provided to the job seeker by a Veteran Center or SWA.
3. **Email the signed and dated IRS and ETA forms to:** dol.WOTC@alaska.gov.
- For hires made on or after May 22, 2011, **employers must submit the forms no later than 28 days after the new hire begins work.**

State of Alaska Veteran Tax Credit

A taxpayer that hires a veteran and employs the veteran in the state is entitled to a credit under this section against the tax due under this chapter. The taxpayer is entitled to the credit for each veteran whose employment qualifies under this section.

To qualify, a veteran must:

1. must have been unemployed for > 4 weeks,

and
2. have been discharged or released from military service:
 - (a) < 10 years before the date employment begins for a veteran who is disabled; or
 - (b) < 2 years before the date employment begins for a veteran who is not disabled.

The amount of credit that may be applied by an employer for each qualifying veteran under this section is,

(1) for a veteran employed in the state for 1,560 hours or more during the 12 consecutive months immediately following the date the veteran is first employed,

- (A) \$3,000 for a disabled veteran; and
- (B) \$2,000 for a veteran who is not disabled;

(2) for a veteran employed in the state for 500 hours or more in a seasonal position during the three consecutive months immediately following the date the veteran is first employed by an employer in a seasonal position, \$1,000;

For more specific information please review [AS 43.20.047](#).