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:

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

- **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.**

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**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](#).