Hire a Veteran Credit

Chapter 59 of the Laws of 2013 (Part AA) establishes a nonrefundable credit for the hiring and employing of qualified veterans by taxpayers subject to tax under Articles 9-A, 22, 32, and 33. To qualify for the credit, the taxpayer must hire a qualified veteran on or after January 1, 2014, but before January 1, 2016. The credit may be claimed for tax years beginning on or after January 1, 2015, but before January 1, 2017.

Chapter 59 of the Laws of 2013 (Part AA) establishes a nonrefundable credit for the hiring and employing of qualified veterans. To qualify for the credit, a taxpayer must:

• hire a qualified veteran who begins his or her employment on or after January 1, 2014, but before January 1, 2016; and

• employ the qualified veteran in New York State for one year or more for at least 35 hours each week.

The taxpayer must claim the credit in the tax year in which a qualified veteran completes one year of employment with the taxpayer. The credit may be claimed for tax years beginning on or after January 1, 2015, but before January 1, 2017.

A taxpayer who uses the hiring of a qualified veteran as the basis for this credit may not use this same hiring as the basis for any other credit allowed under Article 9-A, 22, 32, or 33 of the Tax Law. Also, a taxpayer who discharges an employee and hires a qualified veteran solely for the purpose of qualifying for this credit is not eligible to claim the credit for any qualified veteran.

Eligible taxpayers

The hire a veteran credit may be claimed by:

• Corporations that are subject to tax under Article 9-A (franchise tax on business corporations), Article 32 (franchise tax on banking corporations), and Article 33 (franchise taxes on insurance corporations) of the Tax Law. This includes a corporation that is a partner in a partnership (or member of a limited liability company (LLC) that is treated as a partnership for federal income tax purposes).
• Individuals, estates, and trusts who are taxable under Article 22 of the Tax Law (personal income tax). This includes an individual, estate, or trust that is a partner in a partnership (including a member of an LLC that is treated as a partnership for federal income tax purposes), a shareholder of a New York S corporation, or the beneficiary of an estate or trust.

Amount of the credit

The amount of credit allowed depends on whether the qualified veteran is also a disabled veteran.

• If the qualified veteran is not a disabled veteran, the amount of the credit is equal to 10% of the total wages paid to the veteran during his or her first full year of employment, but not more than $5,000.

• If the qualified veteran is a disabled veteran, the amount of the credit is equal to 15% of the total wages paid to the veteran during his or her first full year of employment, but not more than $15,000.

Note: This credit is based on the wages paid to the qualified veteran during his or her first year of employment, and therefore may only be claimed once for each qualified veteran.

Carryover of credit

This credit is not refundable. However, any amount of the credit not used in the current tax year may be carried forward to the following three years.

In addition, the following limitations apply:

• For Article 9-A taxpayers, the credit cannot reduce the tax below the fixed dollar minimum tax under section 210.1(d).

• For Article 22 taxpayers, the amount of credit may reduce the tax to zero.

• For Article 32 taxpayers, the credit cannot reduce the tax due below the fixed minimum tax under section 1455(b)(3).

• For Article 33 taxpayers, the credit cannot reduce the tax due below the minimum tax under section 1502(a)(4) (life insurance corporations) or the minimum tax under section 1502-a (non-life insurance corporations).
Definitions

A qualified veteran is an individual who:

• served on active duty or in the reserves in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or who served in active military service of the United States as a member of the Army National Guard, Air National Guard, New York Guard, or New York Naval Militia, and who was released from active duty by general or honorable discharge after September 11, 2001;

• is hired in New York State by a qualified taxpayer and begins his or her employment on or after January 1, 2014, but before January 1, 2016; and

• certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for 35 or more hours during any week in the 180-day period immediately prior to his or her employment with the taxpayer. (See Employee affidavit on page 4)

A disabled veteran is an individual who meets the above definition of a qualified veteran and also meets the following qualifications of a disabled veteran as defined in New York State Civil Service Law section 85.1(b):

• the veteran is certified by the United States Department of Veterans Affairs or a military department as entitled to receive disability payments upon the certification by the Department of Veterans Affairs or military department for a disability incurred by the veteran in time of war and in existence at the time of hiring; and

• the certificate of the Department of Veterans Affairs states that:

  • the veteran has been examined by a medical officer of the Department of Veterans Affairs within one year of the date of hiring, and at the time of the examination, the war-incurred disability described in the certificate was found to exist and the disability is rated at 10% or more; or

  • whether or not the veteran has been examined by a medical officer of the Department of Veterans Affairs within one year of the date of hiring, a permanent stabilized condition of disability exists to an extent of 10% or more.

Time of war includes the wars and hostilities participated in by the military forces of the United States for the following periods:

• Korean Conflict - June 27, 1950, through January 31, 1955;

• Vietnam Conflict - February 28, 1961, through May 7, 1975;
• Hostilities in Lebanon - June 1, 1983, through December 1, 1987, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal;

• Hostilities in Grenada - October 23, 1983, through November 21, 1983, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal;

• Hostilities in Panama - December 20, 1989, through January 31, 1990, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal; and

• Persian Gulf Conflict - August 2, 1990, to the end of such hostilities. (At the present time, no termination date has been established.)

A veteran does not have to have served in an actual combat zone during the specified periods set out above in order to meet the time of war requirement. In addition, if a veteran served his or her duty partly during a time of war and partly during peacetime, the veteran meets the time of war requirement.

Employee affidavit

In order to claim the credit, the employer must have the qualified veteran complete Form DTF-75, Employee Affidavit for the Hire a Veteran Credit. Form DTF-75 must be completed and signed by the qualified veteran on or before the date he or she begins employment. Form DTF-75 is available on the Tax Department Web site.

On Form DTF-75, the veteran must certify that he or she meets the requirements of a qualified veteran and whether he or she is a disabled veteran. In addition, the form will indicate what documentation the veteran must present to the employer. Taxpayers must keep the completed form in their records and make it available to the Tax Department upon request.

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.