Jobs For Veterans – Tax Credits For Small Businesses

Finding employment has become a challenge for many returning service members. In fact, for young veterans just back from combat, unemployment is as high as twice the national average, and substantially higher than non-veterans in their age group. In August of 2007, unemployment among veterans ages 18-24 was over 11 percent, a figure that has likely risen considerably at a time when the national unemployment rate has doubled. 76 percent of veterans returning from service cite difficulties in translating their military experiences into workplace benefits.

Work Opportunity Tax Credit

In an effort to address this problem and enable returning soldiers to provide for their families, the *American Recovery and Reinvestment Act* includes a provision that expands the Work Opportunity Tax Credit to unemployed veterans.

To qualify for this credit, veterans must have:

- Separated from the military in the past five years;
- Spent at least four weeks of the previous year on unemployment.

In return for hiring these unemployed returning soldiers, businesses could write off 40 percent of the first $6,000 paid to these employees on their taxes.

In order to apply for this credit, businesses need to certify their new hires with New Mexico Workforce Solutions, using IRS Form 8850, available at http://www.irs.gov/pub/irs-pdf/f8850.pdf . Businesses who have already hired

eligible veterans will have until August 17 to submit their certification; for later dates, businesses will have 28 days from the date of hire.