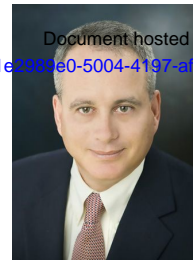


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TAX BENEFITS FOR HIRING UNEMPLOYED VETERANS

On February 17, 2009, President Obama signed into law “The American Recovery and Reinvestment Tax Act of 2009” (the “Act”). Among its many provisions, Section 1221 of the Act amends and supplements Section 51 of the Internal Revenue Code (IRC) to create additional incentives to hire an unemployed veteran in 2009 and 2010.

Effective for 2009 and 2010, the Act includes an unemployed veteran as a member of one of the targeted group for purposes of eligibility for the “Work Opportunity Tax Credit” (WOTC). For definition purposes, an “unemployed veteran” is an individual who (i) has been discharged or released from active duty in the Armed Forces at any time during the 5-year period ending on the hiring date (the day the veteran is hired by the employer), and (ii) is in receipt of unemployment compensation (under State or Federal law) for not less than 4 weeks during the 1-year period ending on the hiring date.

Amount of the Credit:

The credit equals 40% (if the veteran performs at least 400 hours of service to the employer) or 25% (if the veteran performs between 120 and 399 hours of service to the employer) of the first \$6,000 in wages (up to a maximum credit per employee of \$2,400) paid to the newly hired veteran. An employer may make the WOTC election at any time during the three (3) year period prescribed by law for filing (without regard to extensions) the federal income tax return.

Eligibility and Restrictions:

The U.S. Employment Service will notify an eligible employer of their availability for the WOTC. The WOTC will not be available to an employer if the employee had been previously employed by the employer at any time. However, a successor employer will be entitled to the WOTC to the same extent as if they were paid by the predecessor employer.