



“Educate don’t Litigate”

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New York State Announces Upcoming Implementation of Tax Credit for Employers Hiring Post-9/11 Veterans

On November 11, 2013, Governor Andrew M. Cuomo announced the beginning of a promotional effort by New York State’s Division of Veterans’ Affairs to highlight a \$74 million tax credit encouraging employers to hire New York’s post-9/11 veterans who are currently not employed.

The highlights of the tax credit are as follows:

- New York State has allocated \$74 million in tax credits that can be applied against the taxes of any private business that hires a post 9/11 veteran after January 1, 2014 and before January 1, 2017 to a full time position of at least 35 hours per week for at least a year.
- The tax credit equals 10% of gross wages paid to a non-disabled veteran, and 15% of the gross wages paid to a disabled veteran for the 1st year of employment.
- The credit is capped at \$5,000 for a non-disabled veteran and \$15,000 for a disabled veteran.
- The one-time credit is applied against the 2015-2016 franchise tax years. Any credit not used by an employer can be carried forward for three years.

- The veteran employee must be a new hire who had been unemployed for at least 6 months prior.
- An employer cannot fire an employee to replace him/her with a veteran.

This tax credit comes out at a very opportune time for federal contractors. The Office of Federal Contract Compliance Programs (OFCCP) has recently published new regulations in the Federal Register, effective March 24, 2014, setting a hiring benchmark of 8% for protected veterans for all federal contractors.

The tax credit will take effect on January 1, 2014, and is expected to incentivize employers to hire post-9/11 veterans and help reduce high unemployment rates among this population.

To view the entire announcement by Governor Cuomo, please visit www.pmphr.com. Please do not hesitate to contact us with any questions.



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