

PUBLIC HEARING
ON
**BILL 17-0781, ‘EMPLOYMENT OF RETURNING
VETERAN’S TAX CREDIT AMENDMENT ACT OF
2008’**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairman

**December 9, 2008, 12:30 p.m.
Council Chamber, John A. Wilson Building**



**Testimony of
Stephen M. Cordi
Deputy Chief Financial Officer
Office of Tax and Revenue
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**Natwar M. Gandhi
Chief Financial Officer**

Government of the District of Columbia

Mr. Chairman and members of the Committee, my name is Stephen Cordi, Deputy Chief Financial Officer for the Office of Tax and Revenue. I am pleased to present testimony today on Bill 17-0781, the “Employment of Returning Veteran’s Tax Credit Amendment Act of 2008.”

Bill 17-0781 would provide a business tax credit of up to \$2,500 per year for 10% of the wages of a “Qualified Veteran” for a period of up to the first 24 calendar months of employment. The amount of the credit is limited to the amount of income taxes reported by the business, i.e., it is not refundable.

The Office of Tax and Revenue has no position on the merits of the legislation. The legislation does, however, raise a number of questions which need to be resolved before its enactment. We have conveyed the nature of our concerns to Council Member Schwartz’s staff.

By way of example, the legislation does not have a starting date for qualified employment, and thus it is not clear that it will exclude people already on the payroll. Also by way of example, the amount of credit varies by date of hire. For instance, if an employer hires a \$50,000 per year employee on July 1st of any year, he could realize a tax credit of \$7,500 over three tax years. If the same employee

is hired to start work on October 1st of the same year, the credit cannot exceed \$6,250 over the same three tax years.

If Bill 17-0781 is going to move forward, the Office of Tax and Revenue would be very pleased to work with the Committee make sure that it accomplishes its intended result.

I very much appreciate the opportunity to testify on this legislation.