

# Instructions For Form 6325

## 2012 Alaska Veteran Employment Tax Credit

### WHAT'S NEW

In 2012, the legislature passed SB 23 (AS 43.20.048), which provides a tax credit for an employer hiring a veteran. Starting July 1, 2012, if an employer employs a veteran for the required amount of hours, in either a permanent or seasonal position, a credit may be available depending on certain requirements. See General Instructions below for more details.

### GENERAL INSTRUCTIONS

#### Purpose of Form

Form 6325 is a new form developed for an employer to claim an income tax credit for the employment of a veteran.

Complete Form 6325 to claim an income tax credit on Form 611, 611SF, or 650 (oil and gas corporations).

An employer may be eligible to claim an income tax credit for hiring a veteran. The amount of the credit is dependent on whether the veteran is disabled, and whether the veteran is a permanent hire or a seasonal hire. If a permanent hire, the law requires that the veteran be employed for 1,560 hours or more during the 12 consecutive months immediately following the date the veteran is first employed. For a seasonal hire, the law requires that the veteran be employed for 500 hours or more during the three months immediately following the date the veteran is first employed. The credit available is \$3,000 for the permanent hire of a disabled veteran and \$2,000 for the permanent hire of a veteran not disabled. A credit of \$1,000 is available for the employment of any veteran in a seasonal position.

The law imposes certain other requirements for the credit. The employment of a veteran must start not more than two years after discharge (in the case of a veteran not disabled) or 10 years after discharge (in the case of a disabled veteran). The veteran must have been unemployed for at least four weeks immediately preceding the date employment begins.

The law was effective July 1, 2012. The credit is available only for employment that meets the requirements after the effective date. For computing hours and months of employment, count only those periods that occur after the effective date of the law.

The employer is required to maintain records to support its claim of credit, including Form 6326 (see below) and a copy of the veteran's documentation to show the date that the veteran was honorably discharged.

#### Other Related Forms

Form 6325 is a supplementary form that calculates the potential credit to be ordered and limited on Form 6300 Alaska Incentive Credits. Carryovers of the veteran employment tax credit are reported directly on Form 6300. If the taxpayer is claiming a carryover of the veteran employment tax credit, the employer must attach a schedule of the carryover, showing amounts and tax years in which the credit was generated, and the years of utilization. See instructions for Form 6300 for more information.

Form 6326 Certificate of Qualifying Veteran is prepared and signed by the qualifying veteran. The employer must secure the

certificate at the time of employment of the veteran, along with a copy of the veteran's federal Certificate of Discharge (DD 214 etc.) showing that the veteran was honorably discharged. Do not send Form 6326 or the Certificate of Discharge with the tax return.

### SPECIFIC INSTRUCTIONS

**Line 1:** Report the name, social security number, discharge date, and employment date of each veteran hired in a permanent position, in columns A, B, C, and D, respectively. Column E is a check-box to indicate whether the veteran is disabled. Enter the dates in columns C and D in the format mm/dd/yyyy.

Enter in column F the number of hours that the veteran was employed during the twelve months immediately following the date the veteran is first employed. If the amount of hours employed is less than 1,560, then no credit is available for that veteran. In column G, enter the credit available if all requirements are met. The credit is \$3,000 for the employment of a disabled veteran in a permanent position, or \$2,000 for a veteran who is not disabled.

Additional Forms 6325 may be attached, if one Form 6325 is inadequate to report all veterans hired. In this case, show the total of all Forms 6325 on the first Form 6325 line 2, leaving line 2 blank on subsequent Forms 6325.

**Line 3:** Report the name, social security number, discharge date, and employment date of each veteran hired in a seasonal position, in columns A, B, C, and D, respectively, in the same manner as described above.

In column F, enter the number of hours that the veteran was employed during the three months immediately following the date the veteran is first employed. If the amount of hours employed is less than 500, then no credit is available for that veteran. The credit is \$1,000 for the employment of a veteran in a seasonal position.

If additional Forms 6325 are needed, show the total of all Forms 6325 on the first Form 6325, line 4, leaving line 4 blank on subsequent Forms 6325.

Attach Form 6325 to Form 611, 611SF, or 650, or Form 6900, as appropriate.