

113TH CONGRESS
1ST SESSION

H. R. 2056

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged veterans, to improve the coordination of veteran job training services between the Department of Labor, the Department of Veteran Affairs, and the Department of Defense, to require transparency for Executive departments in meeting the Government-wide goals for contracting with small business concerns owned and controlled by service-disabled veterans, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 20, 2013

Ms. SCHWARTZ (for herself, Mr. PETERS of California, Mr. BARBER, Mr. BERA of California, Ms. BROWNLEY of California, Mr. CÁRDENAS, Mr. CARNEY, Mrs. CHRISTENSEN, Mr. COHEN, Mr. COURTNEY, Mrs. DAVIS of California, Mr. DEFazio, Mr. DOYLE, Mr. ENYART, Mr. FATTAH, Ms. FRANKEL of Florida, Mr. GRIJALVA, Ms. HAHN, Mr. HECK of Washington, Mr. HIGGINS, Ms. NORTON, Mr. LOEBSACK, Mr. LOWENTHAL, Mr. MICHAUD, Mr. MURPHY of Florida, Mrs. NAPOLITANO, Mr. O'ROURKE, Mr. RAHALL, Mr. RUIZ, Mr. RUSH, Mr. RYAN of Ohio, Mr. SCOTT of Virginia, Ms. SINEMA, Mr. SIRES, Mr. SWALWELL of California, Mr. TAKANO, Mr. VARGAS, Mr. VEASEY, Mr. WAXMAN, Mr. WELCH, Ms. WILSON of Florida, Mr. JONES, Ms. JACKSON LEE, and Mr. BISHOP of New York) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Veterans' Affairs, Armed Services, Small Business, and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Internal Revenue Code of 1986 to extend the work opportunity credit to certain recently discharged veterans, to improve the coordination of veteran job

training services between the Department of Labor, the Department of Veteran Affairs, and the Department of Defense, to require transparency for Executive departments in meeting the Government-wide goals for contracting with small business concerns owned and controlled by service-disabled veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Veteran Employment
 5 Transition Act”.

6 **TITLE I—WORK OPPORTUNITY**
 7 **CREDIT FOR RECENTLY DIS-**
 8 **CHARGED VETERANS**

9 **SEC. 101. WORK OPPORTUNITY CREDIT FOR CERTAIN RE-**
 10 **CENTLY DISCHARGED VETERANS.**

11 (a) IN GENERAL.—Subparagraph (A) of section
 12 51(d)(3) of the Internal Revenue Code of 1986 is amended
 13 by striking “means any veteran who is” and inserting
 14 “means any recently discharged veteran, or any veteran
 15 if such veteran is”.

16 (b) RECENTLY DISCHARGED VETERAN.—Paragraph
 17 (3) of section 51(d) of the Internal Revenue Code of 1986
 18 is amended—

19 (1) by redesignating subparagraph (C) as sub-
 20 paragraph (D), and

1 (2) by inserting after subparagraph (B) the fol-
2 lowing new subparagraph:

3 “(C) RECENTLY DISCHARGED VETERAN.—

4 For purposes of subparagraph (A), the term
5 ‘recently discharged veteran’ means—

6 “(i) any individual who is described in
7 clause (i) of subparagraph (B) (without re-
8 gard to certification), and

9 “(ii) any member of the National
10 Guard who has served for more than 180
11 consecutive days of—

12 “(I) active duty (within the
13 meaning of title 32, United States
14 Code) other than for training,

15 “(II) full-time National Guard
16 duty (within the meaning of such title
17 32) other than for training,

18 “(III) duty, other than inactive
19 duty or duty for training, in State
20 status (within the meaning of such
21 title 32), or

22 “(IV) any combination of duty
23 described in subclause (I), (II), or
24 (III),

1 who has been discharged or released from duty
2 meeting such requirements at any time during
3 the 5-year period ending on the hiring date.
4 Such term shall not include any veteran who
5 begins work for the employer before the date of
6 the enactment of the Veteran Employment
7 Transition Act.”.

8 (c) CONFORMING AMENDMENTS.—Section 51(d) of
9 the Internal Revenue Code of 1986 is amended—

10 (1) by adding at the end of paragraph (13) the
11 following new subparagraph:

12 “(E) PRE-SCREENING OF RECENTLY DIS-
13 CHARGED VETERANS.—

14 “(i) IN GENERAL.—For purposes of
15 subparagraph (A), the term ‘pre-screening
16 notice’ shall include any documentation
17 provided to an individual by the Depart-
18 ment of Defense or the National Guard
19 upon release or discharge from the Armed
20 Forces or from service in the National
21 Guard which includes information suffi-
22 cient to establish that such individual sat-
23 isfies the requirements of paragraph
24 (3)(C).

1 “(ii) ADDITIONAL CERTIFICATION NOT
2 REQUIRED.—Subparagraph (A) shall be
3 applied without regard to clause (ii)(II)
4 thereof in the case of a recently discharged
5 veteran who provides to the employer docu-
6 mentation described in clause (i).”, and

7 (2) by striking paragraph (14).

8 (d) EFFECTIVE DATES.—The amendments made by
9 subsections (a), (b), and (c) shall apply to individuals
10 whose hiring date (as defined in section 51(d)(11) of the
11 Internal Revenue Code of 1986) is on or after the date
12 of the enactment of this Act.

13 (e) DEPARTMENT OF DEFENSE DOCUMENTATION.—

14 (1) IN GENERAL.—The Department of Defense
15 and the National Guard, as applicable, shall pro-
16 vide—

17 (A) to each individual who is discharged or
18 released from active duty in the Armed Forces
19 of the United States on or after the date of the
20 enactment of this Act; and

21 (B) to each member of the National Guard
22 who is released from duty described in section
23 51(d)(3)(C)(ii) of the Internal Revenue Code of
24 1986 (as added by this Act) on or after the
25 date of the enactment of this Act;

1 documentation described in paragraph (4) (in addi-
2 tion to the documentation which, without regard to
3 this subsection, is provided at the time of such dis-
4 charge or release). If the documentation which is
5 provided without regard to this subsection at the
6 time of the discharge or release described in the pre-
7 ceding sentence does not include information suffi-
8 cient to satisfy the requirements of section
9 51(d)(13)(E)(i) of the Internal Revenue Code of
10 1986 (as added by this Act), the Department of De-
11 fense or the National Guard, whichever is applicable,
12 shall provide additional documentation which in-
13 cludes such information.

14 (2) INFORMATIONAL BRIEFING AS PART OF
15 PRESEPARATION COUNSELING.—In the case of an
16 individual who is discharged or released from duty
17 described in subparagraph (A) or (B) of paragraph
18 (1) after the date of the enactment of this Act, the
19 Department of Defense or the National Guard,
20 whichever is applicable, shall inform such individual,
21 as a part of the individual preseparation counseling
22 required by section 1142 of title 10, United States
23 Code, of the credit for employment of recently dis-
24 charged veterans under section 51 of the Internal
25 Revenue Code of 1986.

1 (3) REQUEST FOR DOCUMENTATION.—The De-
2 partment of Defense or the National Guard, which-
3 ever is applicable, shall provide upon request the
4 documentation required by paragraph (1) to any in-
5 dividual who is discharged or released from duty de-
6 scribed in subparagraph (A) or (B) of such para-
7 graph during the 5-year period preceding and in-
8 cluding the date of the enactment of this Act.

9 (4) INSTRUCTIONS FOR USE OF WORK OPPOR-
10 TUNITY CREDIT.—The documentation described in
11 this paragraph is a document which includes—

12 (A) instructions for an individual to ensure
13 treatment as a recently discharged veteran for
14 purposes of section 51(d)(3)(C) of the Internal
15 Revenue Code of 1986 (as added by this Act),

16 (B) instructions for employers detailing the
17 use of the credit under such section 51 with re-
18 spect to such individual, and

19 (C) the dates during which the credit
20 under such section 51 is available.

21 Such instructions shall be developed in collaboration
22 with the Internal Revenue Service.

1 **SEC. 102. WORK OPPORTUNITY CREDIT MADE PERMANENT**
2 **FOR VETERANS.**

3 (a) IN GENERAL.—Paragraph (4) of section 51(c) of
4 the Internal Revenue Code of 1986 is amended to read
5 as follows:

6 “(4) TERMINATION.—The term ‘wages’ shall
7 not include any amount paid or incurred to any indi-
8 vidual who—

9 “(A) is not a qualified veteran, and

10 “(B) begins work for the employer after
11 December 31, 2013.”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 subsection (a) applies to individuals who begin work for
14 the employer after December 31, 2013.

15 **TITLE II—VETERAN EMPLOY-**
16 **MENT AND TRAINING SERV-**
17 **ICES**

18 **SEC. 201. DEFINITIONS.**

19 In this title:

20 (1) DISABLED VETERAN.—The term “disabled
21 veteran” has the meaning given the term in section
22 4211 of title 38, United States Code.

23 (2) ECONOMICALLY AND EDUCATIONALLY DIS-
24 ADVANTAGED VETERAN.—The term “economically
25 and educationally disadvantaged veteran” means

1 such a veteran, within the meaning of chapter 41 of
2 title 38, United States Code.

3 (3) REHABILITATION PLAN.—The term “reha-
4 bilitation plan” means an individualized plan formu-
5 lated for a veteran under section 3107 of title 38,
6 United States Code, that has an employment objec-
7 tive.

8 (4) VETERAN.—The term “veteran” has the
9 meaning given the term in section 101 of title 38,
10 United States Code.

11 (5) VETERAN JOB TRAINING PROGRAM.—The
12 term “veteran job training program” means—

13 (A) the Disabled Veterans’ Outreach Pro-
14 gram carried out under section 4103A of title
15 38, United States Code;

16 (B) the Homeless Veterans Reintegration
17 Program carried out under section 2021 of that
18 title;

19 (C) the Local Veterans’ Employment Rep-
20 resentative Program carried out under section
21 4104 of that title;

22 (D) the Transition Assistance Program
23 carried out under section 1144 of title 10,
24 United States Code;

1 (E) the Veterans Workforce Investment
2 Program carried out under section 168 of the
3 Workforce Investment Act of 1998 (29 U.S.C.
4 2913); and

5 (F) the Vocational Rehabilitation & Em-
6 ployment Program carried out under chapter 31
7 of title 38, United States Code.

8 (6) VETERAN JOB TRAINING SERVICES.—The
9 term “veteran job training services” means the serv-
10 ices provided under a veteran job training program.

11 **SEC. 202. COORDINATION BETWEEN SECRETARY OF LABOR,**
12 **SECRETARY OF VETERANS AFFAIRS, AND**
13 **SECRETARY OF DEFENSE ON VETERAN JOB**
14 **TRAINING.**

15 Not later than 1 year after the date of enactment
16 of this Act, the Secretary of Labor, the Secretary of Vet-
17 erans Affairs, and the Secretary of Defense shall enter
18 into an agreement, covering the 3 departments involved,
19 to govern the coordination of veteran job training services.

20 **SEC. 203. IMPLEMENTATION REPORTS ON VETERAN JOB**
21 **TRAINING PROGRAMS.**

22 (a) REPORT REQUIRED.—The Secretary of Veterans
23 Affairs and the Secretary of Labor shall prepare an initial
24 and a final report on the veteran job training programs

1 of the Department of Veterans Affairs and Department
2 of Labor as described in this section.

3 (b) DEPARTMENT OF VETERANS AFFAIRS.—The
4 Secretary of Veterans Affairs shall include in each of the
5 reports required by subsection (a), with regard to the De-
6 partment of Veterans Affairs, information describing each
7 of the following:

8 (1) The actions taken by the department to en-
9 sure that States receive sufficient guidance to com-
10 ply with Federal laws regarding veteran job training
11 programs.

12 (2) The extent to which the department re-
13 viewed and incorporated into its operations—

14 (A) the employment related initiatives of
15 the Yellow Ribbon Reintegration Program
16 under section 582 of the National Defense Au-
17 thorization Act for Fiscal Year 2008 (Public
18 Law 110–181; 10 U.S.C. 10101 note); and

19 (B) the conclusions of the Credentialing
20 and Licensing Task Force of the Department of
21 Defense.

22 (3) The extent to which veterans' employment
23 outcomes result from participation in the Vocational
24 Rehabilitation & Employment Program carried out

1 under chapter 31 of title 38, United States Code,
2 rather than from other factors.

3 (4) Actions taken by the department to ensure
4 that veterans with a rehabilitation plan receive vet-
5 eran job training services consistent with the reha-
6 bilitation plan.

7 (5) Efforts taken by the department to better
8 serve veterans living in rural communities.

9 (c) DEPARTMENT OF LABOR.—The Secretary of
10 Labor shall include in each of the reports required by sub-
11 section (a), with regard to the Department of Labor, infor-
12 mation describing each of the following:

13 (1) The matters referred to in paragraphs (1),
14 (2), (3), and (5) of subsection (b).

15 (2) The extent to which veterans' employment
16 outcomes result from participation in the veteran job
17 training programs specified in subparagraphs (A)
18 through (E) of section 201(5), rather than from
19 other factors.

20 (3) The actions taken by the department to
21 provide States with clear guidance for determining
22 which veterans are classified as economically and
23 educationally disadvantaged veterans, or in other
24 categories of veterans.

1 (4) The progress of the department in clari-
2 fying its approach to determining which participants
3 in the Disabled Veterans Outreach Program carried
4 out under section 4103A of title 38, United States
5 Code, shall receive intensive services (as defined in
6 section 134(d)(3) of the Workforce Investment Act
7 of 1998 (29 U.S.C. 2864(d)(3))).

8 (5) How the department reports on goals for
9 performance, and actual performance, on perform-
10 ance standards or other measures, for each of its
11 veterans job training programs, including an assess-
12 ment of how to better monitor employment outcomes
13 for disabled veterans.

14 (d) SUBMISSION OF REPORTS.—The Secretary of
15 Labor and the Secretary of Veterans Affairs shall submit
16 to Congress—

17 (1) not later than 1 year after the date of en-
18 actment of this Act, the initial report required by
19 subsection (a); and

20 (2) not later than 2 years after such date, the
21 final report required by subsection (a).

22 (e) INTERNET PUBLICATION OF DEPARTMENT OF
23 LABOR DATA ON PERFORMANCE GOALS AND OUT-
24 COMES.—The Secretary of Labor shall publish on a pub-
25 licly accessible, user-friendly Internet website the goals

1 and actual performance data described in subsection
2 (c)(4).

3 **SEC. 204. EXPANSION OF PILOT PROGRAM ON RECEIPT OF**
4 **CIVILIAN CREDENTIALING FOR SKILLS RE-**
5 **QUIRED FOR MILITARY OCCUPATIONAL SPE-**
6 **CIALTIES.**

7 Section 558(b)(1) of the National Defense Authoriza-
8 tion Act for Fiscal Year 2012 (Public Law 112–81; 10
9 U.S.C. 2015 note) is amended by striking “not less than
10 three or more than five” and inserting “the MOS 31B
11 Military Police, MOS 15Q AC-Air Traffic Controller, and
12 MOS 12M Fire Protection military occupational special-
13 ties and not fewer than three and not more than five addi-
14 tional”.

15 **SEC. 205. RULE OF CONSTRUCTION.**

16 Nothing in this title shall be construed to affect any
17 other Federal law specifying a reporting requirement.

1 **TITLE III—HONORING PROMISES**
2 **TO SERVICE-DISABLED VET-**
3 **ERANS**

4 **SEC. 301. TRANSPARENCY IN CONTRACTING GOALS FOR**
5 **SMALL BUSINESS CONCERNS OWNED AND**
6 **CONTROLLED BY SERVICE-DISABLED VET-**
7 **ERANS.**

8 Section 15 of the Small Business Act (15 U.S.C. 644)
9 is amended by adding at the end the following:

10 “(s) TRANSPARENCY IN CONTRACTING GOALS FOR
11 SMALL BUSINESS CONCERNS OWNED AND CONTROLLED
12 BY SERVICE-DISABLED VETERANS.—

13 “(1) DEFINITIONS.—In this subsection—

14 “(A) the term ‘covered contractor’ means a
15 contractor that is required to submit a subcon-
16 tracting plan under section 8(d) to an Execu-
17 tive department;

18 “(B) the term ‘Executive department’ has
19 the meaning given that term in section 101 of
20 title 5, United States Code; and

21 “(C) the term ‘physically completed’ has
22 the meaning given that term in section 4.804–
23 4 of the Federal Acquisition Regulation, or any
24 successor thereto.

1 “(2) REPORTS TO ADMINISTRATOR.—Not later
2 than 1 year after the date of enactment of this sub-
3 section, and annually thereafter, the head of each
4 Executive department shall submit to the Adminis-
5 trator a report that contains—

6 “(A) the percentage of the total value of
7 all prime contracts awarded by the Executive
8 department to small business concerns owned
9 and controlled by service-disabled veterans dur-
10 ing the 1-year period ending on the date of the
11 report;

12 “(B) the name of each covered contractor
13 to which the Executive department awards a
14 contract;

15 “(C) for each contract awarded to a cov-
16 ered contractor by the Executive department—

17 “(i) the percentage goal negotiated
18 under section 8(d)(6)(A) for the utilization
19 as subcontractors of small business con-
20 cerns owned and controlled by service-dis-
21 abled veterans; and

22 “(ii) if the contract is physically com-
23 pleted during the 1-year period ending on
24 the date of the report, the percentage of
25 the total value of subcontracts entered into

1 by the covered contractor awarded to small
2 business concerns owned and controlled by
3 service-disabled veterans;

4 “(D) the weighted average percentage goal
5 negotiated by each covered contractor under
6 section 8(d)(6)(A) for the utilization as sub-
7 contractors of small business concerns owned
8 and controlled by service-disabled veterans for
9 all contracts awarded by the Executive depart-
10 ment to the covered contractor;

11 “(E) for all contracts awarded to covered
12 contractors by the Executive department that
13 are physically completed during the 1-year pe-
14 riod ending on the date of the report, the per-
15 centage of the total value of all subcontracts
16 awarded by covered contractors that were
17 awarded to small business concerns owned and
18 controlled by service-disabled veterans; and

19 “(F) the dollar amount by which the Exec-
20 utive department exceeded or failed to meet the
21 Government-wide goals under subsection (g) for
22 prime contracts and subcontracts awarded to
23 small business concerns owned and controlled
24 by service-disabled veterans.

1 “(3) RANKINGS.—For the first full fiscal year
2 following the date of enactment of this subsection,
3 and each fiscal year thereafter, the Administrator
4 shall rank—

5 “(A) the Executive departments, based
6 on—

7 “(i) the percentage of the total value
8 of prime contracts awarded by the Execu-
9 tive departments to small business con-
10 cerns owned and controlled by service-dis-
11 abled veterans; and

12 “(ii) the percentage of the total value
13 of subcontracts awarded by covered con-
14 tractors that are awarded contracts by the
15 Executive departments to small business
16 concerns owned and controlled by service-
17 disabled veterans; and

18 “(B) covered contractors, based on the
19 percentage of the total value of subcontracts
20 awarded by the covered contractors to small
21 business concerns owned and controlled by serv-
22 ice-disabled veterans.

23 “(4) PUBLICATION.—

24 “(A) WEBSITE.—Except as provided in
25 subparagraph (B), the Administrator shall pub-

1 lish on a website accessible to the public a user-
2 friendly, electronically searchable report con-
3 taining—

4 “(i) the information submitted to the
5 Administrator under paragraph (2); and

6 “(ii) the rankings made by the Ad-
7 ministrator under paragraph (3).

8 “(B) EXCEPTION FOR NATIONAL SECUR-
9 RITY.—If the head of an Executive department
10 determines that publication of information con-
11 tained in a report submitted under paragraph
12 (2) would be detrimental to national security,
13 the Administrator shall not publish the infor-
14 mation on the website described in subpara-
15 graph (A).

16 “(C) UPDATING.—The Administrator shall
17 update the contents of the website described in
18 subparagraph (A) not less frequently than an-
19 nually.

20 “(5) REPORTS TO CONGRESS.—

21 “(A) ANNUAL REPORT.—The Adminis-
22 trator shall submit to Congress an annual re-
23 port on the progress of each Executive depart-
24 ment toward meeting the Government-wide

1 goals for contracting and subcontracting estab-
2 lished under subsection (g).

3 “(B) CONTENTS.—Each report under this
4 paragraph shall include—

5 “(i) a statement of whether the
6 website described in paragraph (4) con-
7 tains the latest data reported to the Ad-
8 ministrator by the Executive departments;
9 and

10 “(ii) a recommendation of a prime
11 contractor that should be recognized by
12 Congress for outstanding progress in con-
13 tracting with small business concerns
14 owned and controlled by service-disabled
15 veterans.

16 “(6) RULE OF CONSTRUCTION.—Nothing in
17 this subsection may be construed to affect any other
18 reporting requirement under Federal law.”.

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