

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

Senate Bill 204

**FISCAL
NOTE**

By Senator Weld

[Introduced January 14, 2026; referred
to the Committee on Military; and then to the
Committee on Finance]

1 A BILL to amend and reenact §21A-2C-1, §21A-2C-2, §21A-2C-3, §21A-2C-4, §21A-2C-5, and
2 §21A-2C-6 of the Code of West Virginia, 1931, as amended, relating to renaming the
3 Military Incentive Program and extending this program to all veterans; updating definitions;
4 naming WorkForce West Virginia as the only agency administering this program; and
5 establishing rulemaking.

Be it enacted by the Legislature of West Virginia:

ARTICLE 2C. MILITARY INCENTIVE PROGRAM.

§21A-2C-1. Short title.

1 This article shall be known and may be cited as the "Military Incentive Program Act of
2 1991."

§21A-2C-2. Declaration of legislative intent and purpose.

1 The Legislature of West Virginia hereby recognizes that disabled veterans and
2 ~~economically disadvantaged veterans of the Vietnam era and of the Korean conflict~~ members of
3 the West Virginia National Guard and the reserve forces of the United States have made sacrifices
4 which merit preferential employment treatment in both the public and private sectors.
5 ~~Economically disadvantaged and disabled veterans traditionally suffer a disproportionately higher~~
6 ~~unemployment rate than that of nonveterans of similar age and skills. Members of the West~~
7 ~~Virginia National Guard and reserve forces of the United States who are called upon to leave their~~
8 ~~jobs to perform military obligations are frequently placed in conflict with their employers and as~~
9 ~~such are frequently discriminated against by prospective employers.~~ It is the intent and purpose of
10 the Legislature to encourage the employment of these veterans and members of the guard and
11 reserve forces in the private sector by providing tax credits for private sector employers who
12 employ ~~economically disadvantaged Vietnam era and Korean conflict~~ veterans, disabled
13 veterans, unemployed members of the West Virginia National Guard, and unemployed members
14 of the reserve forces of the United States generally.

§21A-2C-3.

Definitions.

1 For the purposes of this article:

2 (a) "Active duty" means full-time duty in the Armed Forces, other than duty for training in
3 the reserves or National Guard. Any period of duty for training in the reserves or National Guard,
4 including authorized travel, during which an individual was disabled from a disease or injury
5 incurred or aggravated in line of duty, is considered "active duty."

6 (b) "Economically disadvantaged" means a person who:

7 (1) Receives, or is a member of a family which receives, cash welfare payments under a
8 federal, state, or local welfare program;

9 (2) Has, or is a member of a family which has, received a total family income for the six
10 months prior to application which, in relation to family size, was not in excess of the higher of:

11 (i) The poverty level determined in accordance with criteria established by the federal office
12 of management and budget; or

13 (ii) Seventy percent of the lower living standard income level;

14 (3) Is receiving food stamps pursuant to the food stamp act of 1977;

15 (4) Is a foster child on behalf of whom state or local government payments are made; or

16 (5) Is an adult handicapped individual whose own income meets the requirements of
17 subdivisions (1) and (2) of this subsection, but who is a member of a family whose income does not
18 meet such requirements.

19 (c) "Korean conflict veteran" means a person who served in the armed services of the
20 United States at least one day during the period of time beginning June 27, 1950, and extending
21 through January 31, 1955.

22 "Eligible veteran" means a member of the United States armed forces who:

23 (1) Served on active duty for a period of more than 180 days and was discharged or
24 released therefrom with other than a dishonorable discharge; or

25 (2) Was discharged or released from active duty because of a service-connected disability.

26 (d) "National guard member" means a member of any component of the West Virginia

27 National Guard who is a West Virginia resident.

28 (e)"Reserve member" means a member of any component of the reserve forces of the

29 United States who is a West Virginia resident.

30 (f) "Veteran" means a member of the United States Armed Forces who:

31 (1) ~~Served on active duty for a period of more than one hundred eighty days and was~~

32 ~~discharged or released therefrom with other than a dishonorable discharge; or~~

33 (2) ~~Was discharged or released from active duty because of a service-connected disability.~~

34 (g) "Vietnam era veteran" means a person who served in the armed services of the United

35 States at least one day during the period of time beginning August 5, 1964, and extending through

36 May 7, 1975.

§21A-2C-4.	Tax	credit;	eligibility;	amount.
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1 (a) Each person, partnership or corporation which employs an economically
2 disadvantaged Vietnam era or Korean conflict eligible veteran or any disabled veteran, or an
3 unemployed a member of the West Virginia National Guard or a member of the reserve forces of
4 the United States for a continuous period of one year, except as otherwise provided in this article,
5 shall be is entitled to an appropriate tax credit for each such individual so employed. In the case of
6 If a person or partnership so is employing such these individuals, the tax credit provided for in this
7 section shall be applied against the employer's personal income tax liability. In the case of If the
8 employer is a corporation so employing such these individuals, the tax credit provided for in this
9 section shall be applied against the corporation's corporate net income tax liability. This tax credit
10 shall be nonassignable and may not exceed an employer's total tax liability with respect to the
11 specific tax against which the tax credit is required to be applied.

12 (b) The amount of the tax credit allowed under subsection (a) of this section shall be an
13 amount equal to the following:

14 (1) For each economically disadvantaged Vietnam era or Korean conflict veteran
15 employed as described in subsection (a), the amount of the tax credit allowed shall be thirty

16 percent of the employee's wage base. For the purposes of this section, the employee's wage base
17 is the first \$5,000 in wages or compensation actually paid to the employee by the employer;

18 (2) For each disabled veteran employed as described in subsection (a), the amount of the
19 tax credit allowed shall be a percentage equal to the percentage of disability suffered by the
20 veteran multiplied by the employee's wage base. The employee's wage base is the same as
21 provided in subdivision (1) of this subsection. The percentage of disability referred to in this
22 subdivision means the percentage of compensation for service-connected disability as
23 determined by the United States department of Veterans Affairs; and

24 (3) For each member of the West Virginia National Guard or member of the reserve forces
25 of the United States employed as described in subsection (a), the amount of the tax credit allowed
26 shall be twenty-five percent of the employee's wage base. For the purpose of this section, the
27 employee's wage base is the first \$5,000 in wages or compensation actually paid to the employee
28 by the employer

29 (b) For each eligible veteran, member of the West Virginia National Guard, or member of
30 the reserve forces of the United States employed as described in subsection (a), the amount of the
31 tax credit allowed shall be 30 percent of the employee's wage base. For the purposes of this
32 section, the employee's wage base is the first \$5,000 in wages or compensation actually paid to
33 the employee by the employer.

§21A-2C-5. Restrictions and limitations regarding tax credit.

1 (a) An employer may not claim a tax credit provided for in this article for any individual
2 employed for less than a continuous period of one year, unless:

3 (1) The individual voluntarily leaves employment with the employer;
4 (2) The individual becomes totally disabled and unable to continue his or her employment;
5 or
6 (3) The individual is terminated for good cause shown.

7 In the event that If the individual is employed for less than a one continuous year period

8 due to circumstances enumerated in subdivision (1), (2) or (3) above, the employer ~~shall be is~~
9 entitled to a partial tax credit in a proportional amount corresponding to the ratio of the time period
10 during which the eligible veteran, member of the West Virginia National Guard, or member of the
11 Reserve Forces of the United States was actually employed to the one-year period required for a
12 full tax credit multiplied by the amount of the full tax which would have accrued to the employer had
13 the individual's employment continued for a full year.

14 (b) An employer may not claim tax credit provided for in this article for any individual who is
15 employed and displaces a person already employed. In addition, no tax credit may be claimed for
16 the employment of any individual for whom the employer is receiving job training payments from
17 either the federal or state government. Nothing in this section prohibits an employer from receiving
18 tax credits from both the federal and state governments under similar targeted jobs programs if the
19 employer is otherwise qualified to receive both.

§21A-2C-6. Program administration.

1 The program established by this article shall be conducted ~~primarily~~ under the direction of
2 ~~the employment services section of the Bureau of Employment Programs~~ WorkForce West
3 Virginia or its successor agency. ~~and the West Virginia National Guard. Reserve forces units may~~
4 ~~also verify through approved vouchers, eligibility of reserve members to participate in this~~
5 ~~program. Each individual who qualifies under this article for participation in this program shall be~~
6 ~~given, upon request, a voucher certifying that the individual is eligible for participation in the~~
7 ~~program described in this article. The voucher shall be in a form prescribed by the commissioner of~~
8 ~~employment programs and the Adjutant General, and they may conduct such investigations and~~
9 ~~collect such data as they deem necessary to ensure that each individual applying for the voucher~~
10 ~~is actually qualified for participation in the program. The office shall propose rules for legislative~~
11 ~~approval under §29A-3-1 et seq. of this code to carry out the intent and purposes of this article.~~

12 When an employer employs an eligible individual who presents the voucher herein
13 provided for, the employer shall submit the voucher along with basic information to the issuing

14 agency as may be required for participation in this program. Each year, the issuing agency shall
15 certify to the State Tax Commissioner a list of employers who may be qualified to receive a tax
16 credit under this program. In order to receive the appropriate tax credit, an employer must file for
17 the tax credit provided for under this article as required by section forty-two, article twenty-one,
18 chapter eleven of this code or by section twelve, article twenty-four, chapter eleven of this code

NOTE: The purpose of this bill is to rename the act the "Military Incentive Program" and extend this program to all veterans

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.