THE MILITARY COALITION
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October 1, 2004

The Honorable Bill Thomas
Chairman
Committee on Ways & Means
U. S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

The Military Coalition (TMC), a consortium of uniformed services and veterans associations representing more than 5.5 million current and former servicemembers and their families, is writing to urge your support for the Senate-passed provision of the JOBS Act bill, S. 1637. This very important legislation provides a well-deserved tax cut to employers who continue to pay a salary differential to their employees who have been mobilized to active duty in Iraq and Afghanistan.

The provision (section 632, 45H, and 30D) in S. 1637 allows employers a 50 percent tax credit on the salaries they pay to employees during activations. This tax credit will certainly encourage those employers already providing for their employees to continue this patriotic response. We believe that passage of this legislation will encourage more employers. Additionally, small businesses receive a $6,000 tax credit for hiring a worker to temporarily replace the mobilized employee. Small manufacturers would receive a credit up to $10,000 to help find a replacement.

Over 410,000 members of the National Guard and Reserve have been activated to defend our Nation since September 11, 2001. The General Accounting Office reports that forty-one percent (41%) of our Guard and Reserve personnel suffer pay reductions, some severely, from their civilian jobs. While a husband or wife is deployed overseas, active duty compensation is often far less than that received on civilian occupations. While many employers have benevolently voluntarily eased this burden by making up the "pay-gap" between the civilian and military pay of their activated employees, it is a difficult proposition for most. Further, as we will continue to rely even more heavily on the Guard and Reserve for future deployments, those employers who currently supplement the pay-gap soon may no longer be able to do so.

The Military Coalition urges the Conference to retain the Reserve and Guard employer tax credits in the final JOBS Act. Please do all you can to secure enactment of incentives for America's employers who go the extra mile for their mobilized Guard and Reserve employees.

Sincerely,

The Military Coalition
Signatures Enclosed