



WORK OPPORTUNITY TAX CREDIT (WOTC)



The WOTC reduces an employer's cost of doing business and requires little paperwork. The success and growth of this income tax credit for private-sector businesses depends on a strong public and private-sector partnership. Helping those in need find and retain good jobs and gain on-the-job experience benefits all employers and increases America's economic growth and productivity.

WOTC Target Groups

1. Long-term and short-term TANF recipient
2. Veteran groups
 - a. Disabled
 - b. Unemployed
 - c. Food Stamp (SNAP) recipient
3. Age 18-39 for Food Stamp (SNAP) recipient and Designated Community Resident (Perry County)
4. Vocational Rehabilitation Referral, SSI Recipient and Ticket to Work Holder
5. Long term unemployed
6. Ex-Felon: individual convicted of a felony and hired within one year after the date of the conviction or release from prison

How to figure the WOTC

The WOTC has a max range of \$2,400 to \$9,600. It is based on qualified wages paid to the new hire for the first year of employment. Generally, qualified wages are capped at \$6,000. The credit is 25% of qualified first year wages for those employed at least 120 hours and 40% for those employed 400 hours or more.

The Bottom Line:

- Employers make the hiring decision
- There is no limit to the number of new hires who can qualify the employer for the tax savings
- There is minimal paperwork needed to claim the WOTC

Simple steps to apply

Complete IRS Form 8850, Pre-Screening Notice and Certification Request for the WOTC, by the date of the job offer and complete one of the following U.S. Department of Labor Forms:

- ETA Form 9061, Individual Characteristics Form, if the new hire has not been given an ETA Form 9062; or
- ETA Form 9062, Conditional Certification Form, if provided to the job seeker by a Participating Agency, a State Workforce Agency or a Vocational Rehabilitation Agency

For more information, reach out to your local
HIRE Coordinator or visit the following website at:

<https://www.in.gov/dwd/wotc.htm>

Or DOL's website at:

https://www.doleta.gov/business/incentives/opptax/eta_default.cfm

