



# Work Opportunity Tax Credit Overview

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## What is the Work Opportunity Tax Credit?

The ***Work Opportunity Tax Credit*** is a program which provides incentives to businesses who hire members of certain groups who traditionally have had difficulty obtaining and holding jobs. The program has been in existence since 1996.

The Work Opportunity Tax Credit has two purposes:

- **To help individuals who qualify as members of a target group to get a job, and**
- **To help employers who hire qualified individuals by giving them a credit on their federal taxes.**

## How to apply for the Work Opportunity Tax Credit

An employer's request for certification must include:

- A **WOTC Pre-Screening** Notice (IRS Form 8850) that has been completed on or before the day the job offer is made, and sent to VT Department of Labor no later than 28 days after the start work date. This is a two-sided or two-page document. All areas must be completed before it can be accepted.
- An Individual Characteristics Form (ETA 9061) that has been completed by the employer and/or the new employee and includes supporting documentation for the target group chosen.

# THE WOTC TARGET GROUPS

- Qualified TANF and Long term TANF
- *Qualified Veteran, Unemployed or Disabled*
- *Qualified Ex-felon*
- *Vocational Rehabilitation Referral*
- Qualified SNAP
- Qualified SSI Recipient
- Designated Community Residents and Summer Youth
- Long Term Unemployed

# VETERANS TAX CREDIT

## Veterans Target Group Credits

Receiving Food Stamps	\$2,400.00
<u>Entitled to compensation for service connected disability</u>	
Hired one year from leaving service	\$ 4,800.00
Unemployed at least 6 months	\$ 9,600.00
<u>Unemployed</u>	
At least 4 weeks	\$ 2,400.00
At least 6 months	\$ 5,600.00

# Other WOTC Target Groups

- Short term TANF \$2,400.00
- Long term TANF \$9,000.00 over a 2 year period
- Food Stamps \$2,400.00
- Vocational Rehab \$2,400.00
- Ex-Felon \$2,400.00
- SSI Recipient \$2,400.00
- Long Term Unemployed \$2,400.00

# Documentation Available to VDOL

- TANF status
- Food Stamp status
- Unemployment information
- Employment information

If the applicant has received any of these benefits in other states, we need to know the city and state.

# Documentation that is required to be sent to VDOL in order to certify applicant

- Veteran status-copy of the DD214
- Disabled veteran status-copy of the award letter
- SSI recipient-letter from SSI
- Voc Rehab-letter from case manager
- DOC/P&P letter stating the felony conviction and dates of conviction and release from facility.



# Things to remember about WOTC

- The work opportunity tax credit is for **first time** hires only.
- No limit on new hires.
- Pre-Screening Notice and Certification Request (Form 8850) and Individual Characteristics Form (ETA 9061) need to be mailed within 28 days of start date.

## MAIL FORMS TO:

Vermont Department of Labor - WOTC

5 Green Mountain Drive

PO Box 488

Montpelier, VT 05601

Or email to:

[Labor.WOTC@Vermont.gov](mailto:Labor.WOTC@Vermont.gov)

# THINGS TO REMEMBER

- IRS requires that forms arrive at VDOL within 28 days of hire. Failure to follow this will result in a denial for untimely filing.
- Form 8850
- Form 9061
- Self Attestation Form (for Long Term Unemployed)
- Supporting documentation submitted with the application will allow us to certify the application in a faster and more efficient manner

# Where to get forms and other WOTC information?

<http://labor.vermont.gov/work-opportunity-tax-credit-wotc/>

<http://www.doleta.gov/business/incentives/opptax/>

<http://www.irs.gov/>

Contact the WOTC Coordinator, Burton Ingalls at 802-828-4349 or [burton.ingalls@vermont.gov](mailto:burton.ingalls@vermont.gov)