

Work Opportunity Tax Credit Benefits your Business

Region One - Tri-Parish Area

Business & Career Solutions Centers

(St. Tammany, St. Bernard, and Plaquemines)



www.laworks.net



WOTC – 6 Steps to Success

Work
Opportunity
Tax
Credit



- Improves the Employment Prospects of Disadvantaged Individuals
- Provides a Tax Incentive for the Prospective Employer



Benefits for Hiring from Special Populations

Work Opportunity Tax Credits

Credits range between \$1,200 to \$9,600

- TANF Recipients
- Veterans
- Ex-Offenders
- Persons with disabilities
- Long-term unemployed



<https://www.laworks.net/wotc>

Work Opportunity Tax Credit

- Revised and Extended by: Small Business and Work Opportunity Tax Credit Act of 2007
- Expanded by: American Recovery & Reinvestment Act of 2009
- Administered in all 50 States
In Louisiana, by: **Louisiana Workforce Commission**

Who Can Receive the WOTC

- Federal Income Tax Credit that reduces the federal tax liability of '*private for profit*' Employers
- **501 (C) (3) non-profits** can qualify for reduction in Social security employment payments
- To qualify, Employers must hire qualified eligible individuals from any one of ten different target groups



Ten Target Groups

1. TANF Recipient (short term)
2. Veteran / Disabled Veteran
3. Ex-Felon
4. Designated Community Resident
5. Vocational Rehabilitation Referral
6. Summer Youth
7. Food Stamp Recipient (SNAP)
8. SSI Recipient
9. Long-Term (TANF) Family Assistance Recipient
10. Long-term Unemployed



Tax Credit Maximum Amounts

Veteran Target Group

| Veteran Target Group | Maximum Tax Credit |
|--|--------------------|
| Receives SNAP (food stamps) benefits | \$2,400 |
| Entitled to compensation for service-connected disability | |
| Hired one year from leaving service | \$4,800 |
| Unemployed at least 6 months | \$9,600 |
| Unemployed | |
| At least 4 weeks | \$2,400 |
| At least 6 months | \$5,600 |



Long-term Unemployed
Effective Jan 1, 2015
Max credit \$2,400

Other WOTC Target Groups

| Target Group | Maximum Tax Credit |
|------------------------------------|----------------------|
| Short-Term TANF Recipient | \$2,400 |
| Long-Term TANF Recipient | \$9,000 (over 2 yrs) |
| SNAP (food stamp) Recipient | \$2,400 |
| Designated Community Resident | \$2,400 |
| Vocational Rehabilitation Referral | \$2,400 |
| Ex-Felon | \$2,400 |
| SSI Recipient | \$2,400 |
| Summer Youth | \$1,200 |



How are Tax Credits Calculated

- Generally equal to 25% or 40% of a new employee's first-year wages, **up to the maximum** for the target group to which the employee belongs.
- For all target groups (except the long-term TANF recipients) employers will earn **25%**, if the employee **works at least 120 hours**, and **40%**, if the employee **works at least 400 hours**.
- For the long-term TANF target group: Employers will earn 40%, if the employee works at least 400 hours in the first year, and 50%, if the employee works at least 400 hours in the second year.

WOTC Application Process

- **Step 1:** Register your company online
- **Step 2:** Complete [IRS Form 8850](#) and [ETA Form 9061](#)
- **Step 3:** Make copies of Supporting Documentation
- **Step 4:** Submit to Louisiana Workforce Commission
- **Step 5:** Receive Certification Confirmation
- **Step 6:** Submit to IRS for Tax Credit





Step 1: Register

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<https://www.laworks.net/wotc>

LOUISIANA WORKFORCE COMMISSION
Solutions that work.

Work Opportunity Tax Credit (WOTC)
Office of Workforce Development

Login

Username:

Password:

Login to submit and manage your WOTC applications online.
Don't have an account? [Apply now.](#)

Did you know?
You can now submit your WOTC applications online!

The **Work Opportunity Tax Credit (WOTC)** is a federal income tax credit that provides incentives to private for profit employers to encourage the hiring of individuals from certain targeted groups of jobseekers who traditionally have difficulty finding employment.

Employers can reduce their federal income tax liability up to **\$2,400** or **\$4,800** during the first year of employment of a member of a targeted group or up to **\$9,600** over two years, depending on the qualified employee. There is no limit to the number of qualified employees for which an employer may receive this tax credit.

1. WOTC Target Groups

- Qualified Temporary Assistance to Needy Families Recipients
- Qualified Veterans/Disabled Veterans
- Qualified Ex-Felons
- Designated Community Residents residing in an Empowerment Zone
- Vocational Rehabilitation Referrals
- Qualified Summer Youth residing in an Employment Zone
- Qualified Food Stamp Recipients
- Qualified Supplemental Security Income Recipients
- Long-term Family Assistance Recipients

2. Eligibility Requirements

3. Forms

4. Apply for the WOTC Program

5. More WOTC Program Information

The Work Opportunity Tax Credit Program 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.

Louisiana Workforce Commission - Office of Workforce Development - WOTC Section
Post Office Box 94094 - Baton Rouge, Louisiana 70804



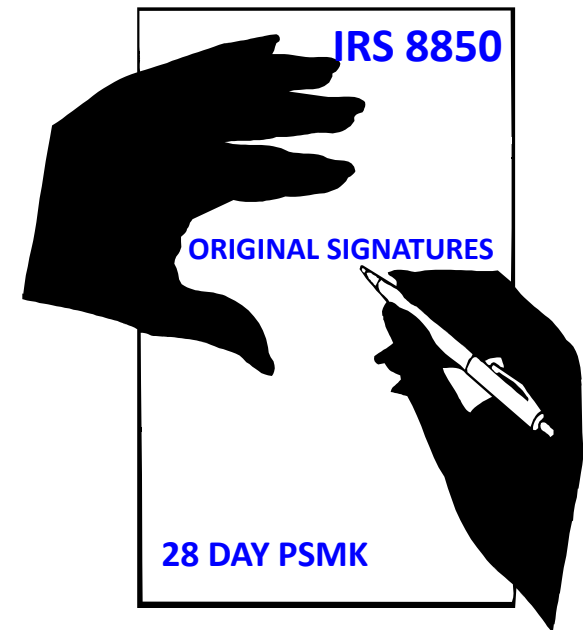
Step 2: Applicant Completes Forms

IRS Form 8850 Pre-Screening Notice and Certification Request for the Work Opportunity Credit, and

ETA Form 9061: Individual Characteristics Form

Forms closely resemble each other and provides the employer with an idea of the applicant's eligibility status

- Electronically File no later than **28 Days** after new hire's start date
- Original Signatures required by Employer and Applicant





Step 3: Supporting Documentation

Make copies of documentation to determine Target Group

- Social Security Card
- Driver's License
- W-4
- Letters from SSA (if applicable)
- DD 214 (if applicable)
- Letter from Dept of Corrections (if applicable)





Step 4: Submit to Louisiana Workforce Commission

- Submit within **28 days after Hiring Date**
 - Original completed **IRS Form 8850**
 - Original completed **ETA Form 9061**
 - Copies of Supporting Documentation

Enter information online

<https://www.laworks.net/wotc>

**Retain documentation with
original signatures in your
personnel file**





Step 5: Certification Confirmation

- If the application is certified as eligible, LWC will send **ETA Form 9063**, “WOTC Employer Certification”

EMPLOYER CERTIFICATION - WORK OPPORTUNITY TAX CREDIT/WELFARE TO WORK PART B. EMPLOYEE LA WORKFORCE COMM

| | | | |
|--|--|---|---|
| 1. NAME AND ADDRESS OF CERTIFYING AGENCY L.A. WORKFORCE COMMISSION - WOTC P. O. BOX 94094 BATON ROUGE LA 70804-9094 ***NOT AN I-9 CERTIFICATION*** | | 8. NAME AND ADDRESS OF EMPLOYEE | |
| 2. CERTIFICATION NO. | 3. DATE COMPLETED 02/09/2015 | 10. SOCIAL SECURITY NO. | 11. STARTING DATE OF EMPLOYMENT MO. DAY. CC. YR. 10/10/2013 |
| 4. PHONE NO. | | 12. WOTC TARGETED GROUP G Qualified Food Stamp Recipient | |
| PART A E M P L O Y E R | 5. NAME AND ADDRESS OF FIRM INC HAMMOND LA 70403 | | 6. PHONE NUMBER 111/111-1111 |
| | | | 7. IRS IDENTIFICATION NO. 1 |
| | | | 8. REPRESENTATIVE'S NAME AND NUMBER |
| PART C. CERTIFICATION I HEREBY CERTIFY that the individual named in Part B meets the eligibility criteria of Section 51 of the Internal Revenue Code. | | | |
| 13. NAME AND PHONE NUMBER OF CERTIFYING OFFICER (PRINT OR TYPE) THOMAS LEVATINO 225/342-2939 | | 14. SIGNATURE (CERTIFYING OFFICER) Thomas Levatino | 15. DATE 3/10/15 |

LWC FB4202 REV. 02/2013

- A denial letter will be sent to the employer if the employee is not eligible for any of the target groups



Step 6: Submit to IRS

- Employer claims credit on their income tax return
- The credit is first figured on [IRS Form 5884](#) and then becomes a part of the general business credit claimed on [IRS Form 3800](#)





In a “nutshell”

- Register your company for a Louisiana WOTC online account at <https://www.laworks.net/wotc>
- Have new hires complete [Forms 8850](#) and [9061](#)

**Make IRS Form 8850 and ETA Form 9061
in your regular hiring packet**

- Upload new employee information (from the 8850 and 9061) to the state WOTC online system at the same time as you enter New Hire Reporting (this is done at 20 days which will ensure you meet the 28 day deadline for WOTC)



Need more Answers?



Contact the Louisiana Work Opportunity Tax
Credit Coordinator

Tommy Levatino, WOTC Coordinator
tlevatino@lwc.la.gov

225-342-2939



Tri-Parish Business Solutions

- **Posting job openings** on local, state and national websites
- Employee **recruitment** and screening
- Wage reimbursement for **On-the-Job Training (OJT)**
- Customized **training solutions**
- Receiving and **prescreening applicant** resumes
- **Tax credit** information
- **Labor market** information
- **Labor law compliance** information

Should you have more customized needs, there are additional **enhanced business services** available for a nominal fee.



Don Shea

Director of Business Services

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Tri-Parish Business & Career Solutions Centers

We Are THE Workforce Experts!

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