

WOTC.com

Work Opportunity Tax Credit

WOTC TAX CREDIT GUIDE FOR BUSINESS OWNERS

**How to Maximize the Work Opportunity
Tax Credit Program**



WOTC PROGRAM OVERVIEW

▶ Who is Eligible to claim IRS WOTC Tax Credits?

- ✓ A business that pays Income Taxes (For-Profits)
- ✓ A Business that hires Employees

▶ How are WOTC Credits Applied to your Tax Returns?

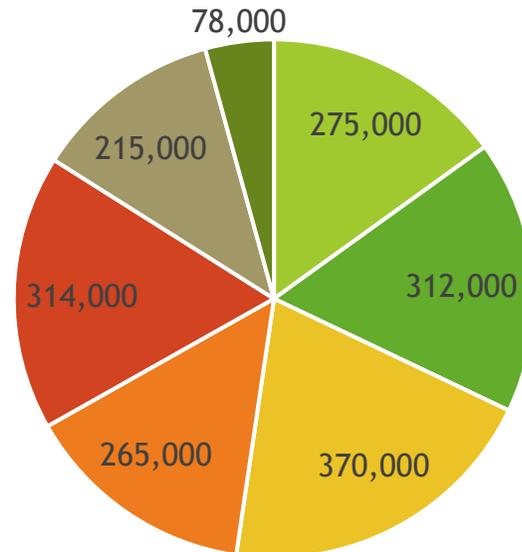
- ✓ WOTC can offset regular tax and AMT (Alternative Minimum Tax)
- ✓ A C-Corp will get the WOTC Credits as a Corporate Tax Reduction
- ✓ An S-Corp, or LLC, will get the WOTC Credits on the owner's personal returns

WOTC.com Hint:
**The more employees you hire, the more
Tax Credits you get.**



WHAT AMOUNTS CAN BUSINESS OWNERS EXPECT?

A COMPANY THAT HIRES 500 NEW EMPLOYEES PER YEAR:
Annual Benefits from the WOTC Program



■ Construction ■ Food & Beverage ■ HomeCare ■ Hospitality ■ Manufacturing ■ Retail ■ Financial

WHICH EMPLOYEES ARE ELIGIBLE FOR WOTC?

- ▶ Unemployed Individuals
- ▶ Food Stamp (SNAP) Recipients
- ▶ Long-Term TANF Recipients
- ▶ Empowerment Zone Residents
- ▶ SSI Recipients (Supplemental Security Income)
- ▶ Ex-Felons
- ▶ Veterans
- ▶ Vocational Rehab Referrals
- ▶ Summer Youths



WOTC.com Hint:
Employees under 40 years are more likely to get approved.

WHAT ARE THE WOTC TAX CREDIT AMOUNTS?

CREDITS BASED ON THE FIRST YEAR OF EMPLOYEE'S SALARY

WOTC Eligibility Criteria	Maximum Tax Credit Amount
Food Stamp (Snap) Recipient	\$2,400
Unemployment Benefits Recipient	\$2,400
Long Term TANF Recipient	\$9,000 over 2 years
SSI Recipient	\$2,400
Empowerment Zone Resident	\$2,400
Ex-Felon	\$2,400
Veteran	\$2,400 - \$9,600
Vocational Rehab Referral	\$2,400
Summer Youth	\$1,500

WOTC.com Hint:

Employees must work at least 120 hours to qualify.



HOW DO I IMPLEMENT THE WOTC PROGRAM?

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Step 1 of 3:

- ▶ Each New Hire completes an IRS form 8850 and 9061.
- ▶ These forms can also be completed online. WOTC.com has an online form customized for each client with their own logo.
- ▶ Forms are available in English and Spanish versions.
- ▶ Forms must be submitted to WOTC.com within 28 days of hire. The IRS does not accept applications submitted after the 28 day deadline.
- ▶ Paper forms can be emailed, mailed, faxed, or uploaded to WOTC.com.

Form 8850 (Rev. March 2016) Department of the Treasury Internal Revenue Service	Pre-Screening Notice and Certification Request for the Work Opportunity Credit ▶ Information about Form 8850 and its separate instructions is at www.irs.gov/form8850 .	OMB No. 1545-1500
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Job applicant: Fill in the lines below and check any boxes that apply. Complete only this side.

Your name _____ Social security number ▶ _____

Street address where you live _____

City or town, state, and ZIP code _____

County _____ Telephone number _____

If you are under age 40, enter your date of birth (month, day, year) _____

1 Check here if you received a conditional certification from the state workforce agency (SWA) or a participating local agency for the work opportunity credit.

2 Check here if **any** of the following statements apply to you.

- I am a member of a family that has received assistance from Temporary Assistance for Needy Families (TANF) for any 9 months during the past 18 months.
- I am a veteran and a member of a family that received Supplemental Nutrition Assistance Program (SNAP) benefits (food stamps) for at least a 3-month period during the past 15 months.
- I was referred here by a rehabilitation agency approved by the state, an employment network under the Ticket to Work program, or the Department of Veterans Affairs.
- I am at least age 18 but **not** age 40 or older and I am a member of a family that:
 - a. Received SNAP benefits (food stamps) for the past 6 months; **or**
 - b. Received SNAP benefits (food stamps) for at least 3 of the past 5 months, **but** is no longer eligible to receive them.
- During the past year, I was convicted of a felony or released from prison for a felony.
- I received supplemental security income (SSI) benefits for any month ending during the past 60 days.
- I am a veteran and I was unemployed for a period or periods totaling at least 4 weeks but less than 6 months during the past year.

3 Check here if you are a veteran and you were unemployed for a period or periods totaling at least 6 months during the past year.

4 Check here if you are a veteran entitled to compensation for a service-connected disability and you were discharged or released from active duty in the U.S. Armed Forces during the past year.

5 Check here if you are a veteran entitled to compensation for a service-connected disability and you were unemployed for a period or periods totaling at least 6 months during the past year.

6 Check here if you are a member of a family that:

- Received TANF payments for at least the past 18 months; **or**
- Received TANF payments for any 18 months beginning after August 5, 1997, **and** the earliest 18-month period beginning after August 5, 1997, ended during the past 2 years; **or**
- Stopped being eligible for TANF payments during the past 2 years because federal or state law limited the maximum time those payments could be made.

7 Check here if you are in a period of unemployment that is at least 27 consecutive weeks and for all or part of that period you received unemployment compensation.

Signature—All Applicants Must Sign

Under penalties of perjury, I declare that I gave the above information to the employer on or before the day I was offered a job, and it is, to the best of my knowledge, true, correct, and complete.

Job applicant's signature ▶ _____ Date _____

For Privacy Act and Paperwork Reduction Act Notice, see page 2. Cat. No. 22851L Form **8850** (Rev. 3-2016)

ACCOUNTING PROFESSIONALS AT WOTC.COM

2 Step 2 of 3:

A WOTC.com team of accounting professionals will review the applications and submit to the state agencies with backup documentation, as needed.

They work hard to get the employees certified and will update the clients with monthly Pre-Qualified Reports.

WOTC.com Hint:
Monthly Reports help you keep track of those employees that are an asset to your company.



YOUR CPA GETS THE IRS FORMS FOR FILING

3

Step 3 of 3:

- ▶ WOTC.com will import your employee's payroll data into their system to compute the actual WOTC Tax Credits.
- ▶ Payroll data can be submitted to WOTC.com via API Integrations, Annual Payroll Reports, or through our online system.
- ▶ The completed IRS forms are generated and sent to you and your CPA for filing.



WOTC.com Hint:
WOTC Tax Credits can be carried back 1 year, and carried forward for 20 years!



BENEFITS OF WOTC.COM

Fees:

Our fees are contingency based. You don't pay anything until your CPA files and claims the Tax Credits with your annual tax return.

State Tax Credits:

We will identify and process additional State Tax Credits for companies located in certain states where these credits are available. Often these are refundable credits in which your company qualifies for a refund check.

Increase Your WOTC Credits:

We have a proven track record for increasing (sometimes doubling) our client's WOTC Tax Credit amounts. We appeal denials and submit back-up documentation to prove eligibility.

WOTC.com Hint:

WOTC.com can expedite your WOTC Certifications if you are located in a state with a large backlog.



WOTC.com
Work Opportunity Tax Credit

17 State Street, Suite 4000
New York, NY 10004

Additional Locations: Washington DC, California, New York

REGISTER ONLINE

**Contact
WOTC.com to
Get Started:
212.635.9500**

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