

WORK OPPORTUNITY TAX CREDIT

an Employer Hiring Incentive

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to employers for hiring individuals from certain targeted groups who have consistently faced significant barriers to employment.

WOTC joins other workforce programs that incentivize workplace diversity and facilitate access to good jobs for American workers.

TARGETED GROUPS

Employers can hire eligible employees from the following target groups for WOTC.

- Qualified IV-A Recipients (TANF)
- Qualified Veterans
- Qualified Justice-Involved Individuals
- Designated Community Residents (DCR)
- Vocational Rehabilitation Referrals
- Summer Youth Employees
- Supplemental Nutrition Assistance Program (SNAP) Recipients
- Supplemental Security Income (SSI) Recipients
- Long-Term Family Assistance Recipients
- Qualified Long-Term Unemployment Recipients

BUSINESS SAVINGS

The credit amount for WOTC can be up to \$9,600 for each qualified new hire, depending upon the new hires' WOTC target group. The credit is equal to a percentage of the eligible employee's wages, and the employee must work at least 120 hours for the employer to receive credit.

PRE-SCREENING AND CERTIFICATION

An employer must obtain certification that an individual is a member of the targeted group, before the employer may claim the credit. An eligible employer must file Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit, with their respective state workforce development agency within 28 days after the eligible worker begins work.

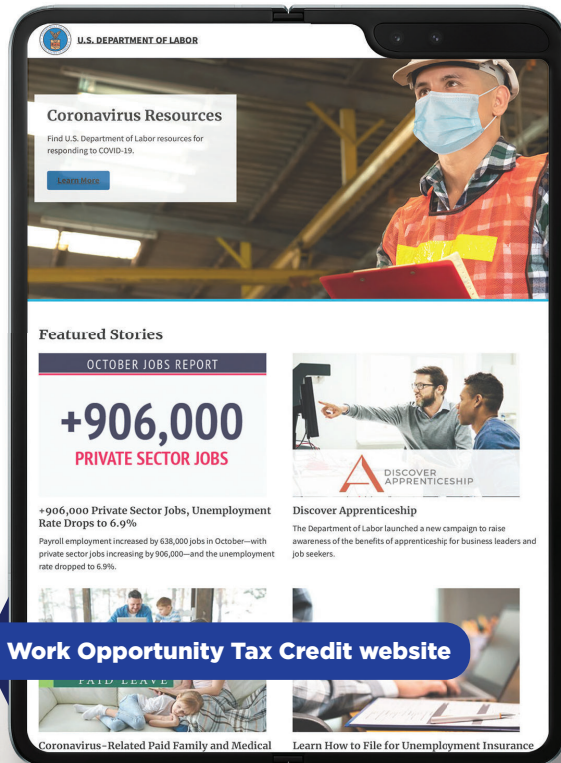


PROGRAM ADMINISTRATION

The U.S. Department of Labor and U.S. Department of Treasury, through the Internal Revenue Service, jointly administer implementation of the WOTC program. State Workforce Development Agencies administer the certification process, while the Internal Revenue Service administers all tax-related provisions and requirements.

INFORMATION AND RESOURCES

For more information on how to file for the tax credit, visit the Internal Revenue Service website, <http://www.irs.gov/wotc> and the Work Opportunity Tax Credit website, <http://www.doleta.gov/business/incentives/opptax/>.



STATE MICHIGAN

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