

## Applying for Work Opportunity Tax Credit Certification Takes Four Simple Steps

An employer must request and receive certification from its state workforce agency (SWA) that the **new hire** is a member of one of the nine **WOTC** target groups before the employer can claim the **WOTC** on its federal income tax return. Requests for certification can be done electronically or by mail. For electronic filing visit <http://WOTC.alabama.gov> and click on **Alabama WOTC on-line for employers** to establish a New Employer Account.

Forms for requesting certification by mail are also available at <http://WOTC.alabama.gov>.

**To request certification by mail, the employer must:**

1. Complete page 1 of IRS Form 8850, *Pre-Screening Notice and Certification Request for the Work Opportunity Credit*, by the date of the job offer; **and**
2. Complete page 2 of IRS Form 8850 after the individual is hired;
3. Complete *one of the following* one-page U.S. Department of Labor forms, as appropriate:
  - ETA Form 9061, *Individual Characteristics Form*, if the new hire has not been given a conditional certification, ETA Form 9062, or
  - ETA Form 9062, *Conditional Certification Form*, if provided to the job seeker by a participating agency, such as a vocational rehabilitation agency, an employment network, or a SWA; **and**
4. Mail the signed/dated IRS and ETA forms to the state workforce agency's **WOTC** Coordinator not later than 28 days **after** the new hire begins work.

**Mail to:** Alabama Department of Industrial Relations  
Attn: WOTC  
649 Monroe Street  
Montgomery, AL 36131

## How To Contact Your State Employment Agency WOTC Coordinator

Contact your State Employment Agency WOTC Coordinator at:

**WOTC.DIR@dir.alabama.gov** or  
**Alabama Department of Industrial Relations**  
**Attention WOTC**  
649 Monroe Street  
Montgomery, AL 36131

To learn more about the WOTC, visit <http://WOTC.alabama.gov> and click on **Work Opportunity Tax Credit - WOTC**

### THE WOTC TAX CREDITS EMPLOYER FRIENDLY BENEFITS

The Work Opportunity Tax Credit reduces an employer's cost of doing business and requires little paperwork. The success and growth of this federal income tax credit for private-sector employers depends on a strong public and private-sector partnership to help those most in need find and retain jobs and gain on-the-job skills and experience. The **WOTC** benefits employers and increases America's economic growth and productivity.



Alabama Department of Industrial Relations  
October 2008

## ALABAMA EMPLOYERS:

WAYS EMPLOYERS CAN EARN

## Federal Income Tax Credits

### WORK OPPORTUNITY TAX CREDITS

Employer-Friendly Benefits  
for Hiring Job Seekers  
Most In Need of Employment

- HOW TO EARN TAX CREDITS FOR NEW HIRES
- HOW TO APPLY FOR THE TAX SAVINGS
- WHERE TO GET MORE INFORMATION

## Earn Work Opportunity Tax Credits

- Employers make the hiring decision
- No limit to the number of new hires who can qualify their employer for these tax savings
- Minimal paperwork to claim the tax credits

On May 25, 2007, the President signed into law the *Small Business and Work Opportunity Tax Act of 2007*, which extends the **WOTC** Program through August 31, 2011. This Act and the *Tax Relief and Health Care Act of 2006*, signed into law on December 20, 2006, amend certain target group definitions, introduce new provisions that streamline the **WOTC** program and make it easier for the business sector to participate. This Fact Sheet discusses the consolidated **WOTC** as extended and modified by both Acts. The Work Opportunity Tax Credit can now be as much as:

- \$2,400 generally for each new adult hire
- \$1,200 for each summer youth hire
- \$4,800 for each new disabled veteran hire
- \$9,000 for each new long-term TANF recipient hired over a 2-yr. period

## Who Doesn't Qualify

**Some employees do not qualify the employer for the WOTC.**

### THEY INCLUDE:

- Relatives and dependents
- Majority owners of the employer
- Former employees

## Hire From Among These Nine Groups of Job Seekers to Qualify for **WOTC** Tax Credits

**1. Long-term TANF recipient\*** – member of a family that received Temporary Assistance for Needy Families (TANF) for at least 18 consecutive months ending on the hiring date, **or** a member of a family that received (TANF) 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 ending on the hiring date, **or** whose family stopped being eligible for TANF because Federal or state law limited the maximum time those payments could be made, and the individual is hired not more than 2 years after such eligibility ended

**2. Other TANF recipient\*** – member of a family that received TANF payments for any 9 months during the 18-month period ending on the hiring date

**3. Veteran\*** – member of a family that received food stamps for at least a 3-month period during the 15-month period ending on the hiring date, **or** a disabled veteran entitled to compensation for a service-connected disability hired within one year of discharge or release from active duty **or** unemployed for a period or periods totaling at least 6 months of the year ending on the hiring date

**4. 18-39 year-old food stamp recipient\*** member of a family that received food stamps for **either** the 6-month period ending on the hiring date, **or** for at least 3 of the 5 months

ending on the hiring date in the case of a family member who ceased to be eligible for such assistance under Section 6(o) of the Food Stamp Act of 1977

**5. 18-39 year-old designated community resident** – individual who lives within an Empowerment Zone (EZ), Renewal Community (RC),\*\* or Rural Renewal County (RRC) (Butler, Dallas, Macon, Perry, Sumter and Wilcox)

**6. 16-17 year-old summer youth** – individual who works for the employer between May 1 and September 15, and lives in an EZ or RC\*\*

**7. Vocational rehabilitation referral** – disabled person referred to the employer upon completion of (or while receiving) rehabilitation services approved by the State, the Ticket-to-Work Program, or the Department of Veterans Affairs

**8. Ex-felon** – individual who was convicted of a felony and who is hired within one year after the conviction or release from prison (would include felons participating in a state-approved work release program)

**9. SSI recipient** – individual who received Supplemental Security Income benefits for any month ending during the past 60-day period ending on the hiring date

\* The individual need not receive the assistance for the entire period if the family received it for the entire period **and** the individual was on the grant and thus received assistance for at least one day of the specified period.

\*\* For the location of EZs/RCs, visit [www.hud.gov/crlocator](http://www.hud.gov/crlocator) and select "Enter Address."