

## WORK OPPORTUNITY TAX CREDIT (WOTC)

(Title 26, section 51, United States Code)

### Brief Overview

- The WOTC was created to help individuals from certain target groups find jobs by offering employers a tax credit on a portion of their earnings.
- While the definition for each of the target groups is too extensive and technical to describe here, the following will give you some idea of the specific groups that the Program was designed to aid:

\*Families receiving TANF (Temporary Assistance for Needy Families)

\*Veterans receiving Food Stamps or are disabled

\*Ex-felons

\*High risk youth, 18-39

\*Vocational rehabilitation referrals

\*Food Stamp recipients, 18-39

\*Summer youth employees, 16-17

\*SSI recipients

- Tax credits can be as much as:

\*\$9,000 for each new long-term, family assistance recipient hired (2-year eligibility)

\*\$4,800 for each new disabled veteran hire

\*\$1,200 for each summer youth hire

\*\$2,400 for each new hire from the other target groups

- Consultant Support

Each year, millions in tax credits go unclaimed under this Program even though employers are hiring workers every day from the very target groups designated by the WOTC legislation. This is particularly true for small to mid-size employers who have neither the staff nor time to manage the eligibility determination and certification process. The answer for many employers has been to hire a WOTC consultant who specializes in this type of work, and performs the majority of tasks required by the Program.

The cost for consultant services is usually a contingent fee, invoiced **ONLY** if a WOTC Certification is issued and **ONLY** if the employee earns qualifying wages and works at least 120 hours. One such firm that specializes in working with smaller employers nationwide is R. Jeffrey and Associates, Inc. If interested, they can be reached at 847-253-7300; their web address is [taxcredits@rjeffrey.com](mailto:taxcredits@rjeffrey.com). Should you contact them, please mention that you learned about their services from the IUPAT and the Finishing Contractors Association (FCA).