

# IRS News Release

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Media Relations Office

Washington, D.C.

Media Contact: 202.622.4000

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## **IRS Offers Tax Credit Guidance to Businesses Hiring Unemployed Veterans and Certain Youth**

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WASHINGTON — Businesses planning to claim the newly-expanded work opportunity tax credit (WOTC) for eligible unemployed veterans and unskilled younger workers hired during the first part of 2009 have until Aug. 17 to request the certification required for these workers, according to the Internal Revenue Service.

[Newly-revised Form 8850](#), now available on IRS.gov, is used by employers to request certification from their state workforce agency. The American Recovery and Reinvestment Act, enacted in February, added unemployed veterans returning to civilian life and “disconnected youth” to the list of groups covered by the credit. Though eligible unemployed veterans and disconnected youth who begin work anytime during 2009 or 2010 may qualify a business for the credit, certification by the state workforce agency is required.

In general, an unemployed veteran is a person discharged or released from the military during the five years preceding the hiring date who received unemployment benefits for at least four weeks during the one-year period ending on the hiring date. A “disconnected youth” is a person age 16 to 24 on the hiring date who has not been regularly employed or attending school and who meets other requirements.

The WOTC offers tax savings to businesses that hire workers belonging to any of 12 targeted groups, including unemployed veterans and disconnected youth. The other 10 include people ages 18 to 39 living in designated communities in 43 states and the District of Columbia, Hurricane Katrina employees, recipients of various types of public assistance, and certain veterans, summer youth workers and ex-felons. [The instructions for Form 8850](#) detail the requirements for each of these groups.

The certification requirement applies to all groups of workers except employees who were Hurricane Katrina victims. Normally, a business must file Form 8850 with the state workforce agency within 28 days after the eligible worker begins work. But under a special rule, businesses have until Aug. 17, 2009, to file this form for unemployed veterans and disconnected youth who begin work on or after Jan. 1, 2009 and before July 17, 2009. [Notice 2009-28](#), posted today on IRS.gov, and the instructions for Form 8850 provide details on this special rule.