



# Tax Credits for Employers

Employers may be able to claim certain tax credits. The IRS offers various resources to explain these tax credits. Please help spread the word to employers who might be eligible.

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## Claim the Work Opportunity Tax Credit (WOTC) when hiring applicable employees.

Employers who hire people from certain groups can reduce the tax they owe when they claim the WOTC on their federal tax return. In general, the WOTC is equal to 40% of up to \$6,000 of wages paid to, or incurred on behalf of, a qualifying individual.

### A qualifying individual:

- › Is in their first year of employment;
- › Is certified as being a member of a targeted group; and
- › Performs at least 400 hours of services for that employer.

**Up to \$24,000 in wages may be taken into account for certain qualified veterans.**

## How can you help?

### Include a link to IRS.gov on your website

[IRS.gov/WOTC](https://www.irs.gov/WOTC) contains WOTC frequently asked questions and a list of qualified employee groups for both for-profit and tax-exempt employers.



See if you qualify for the WOTC

### Share messages on social media



### Share IRS resources about the Work Opportunity Tax Credit

- › [Publication 5642, Which employers are eligible for the Work Opportunity Tax Credit?](#) – this publication provides an overview of the credit. A [Spanish version](#) is also available.
- › [Form 8850](#) – this form satisfies the requirement to pre-screen a job applicant. On or before the day that a job offer is made, a pre-screening notice must be completed by the job applicant and the employer.
- › [Form 5884](#) and [Form 3800](#) – for-profit employers use these forms to claim the credit as a general business credit when hiring qualified employees.
- › [Form 5884-C](#) – tax-exempt employers use this form to claim the credit when hiring qualified veterans.

### Include this IRS tax tip in your newsletter

[Employers should certify employees before claiming the Work Opportunity Tax Credit](#)

- › An #IRS reminder: Hiring certain workers could result in a business tax credit: [www.irs.gov/wotc](https://www.irs.gov/wotc)
- › An #IRS credit may help those who hire long-term unemployment recipients, veterans and other workers with significant barriers to employment. [www.irs.gov/wotc](https://www.irs.gov/wotc)

# Claim the Employer-Provided Childcare Credit if you provide childcare services to employees.

The Employer-Provided Childcare Credit is a general business credit available to employers for qualified childcare facility, resource and referral expenses.

## In general,

- › The credit is limited to \$150,000 per year.
- › The credit equals 25% of the qualified childcare facility expenses plus 10% of the qualified childcare resource and referral expenses paid or incurred by the employer during the taxable year.
- › Employers use Form 8882 to claim the credit.
- › A qualified childcare facility must meet the requirements of all related laws and regulations of the state or local government where located, including the licensing of the facility as a childcare facility.
- › There are conditions that must also be met.

## How can you help?

### Include a link to the information on [irs.gov](https://www.irs.gov)

Visit [IRS.gov/employerchildcare](https://www.irs.gov/employerchildcare) for more information about claiming the credit, including the requirements for qualified child care expenditures and qualified child care facilities.



See if you can claim the credit

### Share messages on social media



### Share IRS resources about claiming the Credit

- › [Publication 5964, Employer-Provided Childcare Tax Credit](#) – this publication outlines eligibility and credit incentives.
- › [Form 8882, Credit for Employer-Provided Child Care Facilities and Services](#) – this is the form employers file to claim the credit.
- › [Business tax credits](#) – this page outlines most of the general business credits, including the Employer-Provided Childcare Credit.
- › [Credits and deductions for businesses](#) – this [irs.gov](https://www.irs.gov) resource page lists credits and deductions for businesses, including the Employer-Provided Childcare Credit.
- › The #IRS Employer-Provided Childcare Tax Credit homepage on [irs.gov](https://www.irs.gov) has valuable information about claiming this credit, including the requirements for qualified child care expenditures and qualified child care facilities. Visit: [www.irs.gov/employerchildcare](https://www.irs.gov/employerchildcare)
- › The #IRS Employer-Provided Childcare Tax Credit page helps determine eligibility for a business tax credit of up to \$150,000. See if your business qualifies: [www.irs.gov/employerchildcare](https://www.irs.gov/employerchildcare)





# Educational Assistance Programs are available for your employees.

An educational assistance program is a written plan an employer provides for the exclusive benefit of its employees.

**In general, benefits include:**

- › Payments for tuition, fees and similar expenses
- › Principal and interest payments on qualified student loans
- › Books
- › Supplies
- › Equipment

Tax-free benefits under an educational assistance program are limited to \$5,250 per employee per year.

## How can you help?

**Include a link to educational assistance FAQs on your website**

[Frequently asked questions about educational assistance programs](#) are available on [irs.gov](#).



General information about educational assistance programs

### Share IRS resources about the Educational Assistance Programs

- › [Publication 5858, Educational assistance programs can be used to help pay worker's student loans](#) – this publication provides information about using educational assistance programs to help pay student loans.
- › [Publication 15-B, Employer's Tax Guide to Fringe Benefits](#) – this publication contains information for employers on the employment tax treatment of fringe benefits.
- › [Publication 970 \(Chapter 10\), Tax Benefits for Education](#) – this publication details what qualifies as a student loan.

**Share messages on social media**

### Looking for the perfect gift?

Tax-free benefits that help pay student loans can be a great incentive for employees.



[irs.gov/news](#)

- › @USTreasury and #IRS issued frequently asked questions on educational assistance programs. DYK that certain educational assistance benefits like payments for tuition, books, supplies and more could be excluded from your gross income for tax purposes? <https://www.irs.gov/newsroom/treasury-irs-issue-frequently-asked-questions-regarding-educational-assistance-programs>
- › Did you know that certain educational assistance benefits from your employer could be excluded from your gross income for tax purposes? #IRS frequently asked questions can help you understand how these programs can benefit you and your employer: <https://www.irs.gov/newsroom/treasury-irs-issue-frequently-asked-questions-regarding-educational-assistance-programs>

