

Which employers are eligible for the work opportunity tax credit?



Employers, including certain tax-exempt employers, may be eligible for the **work opportunity tax credit** if they hire individuals who face employment barriers.

- ▶ This is a one-time credit for each new hire. To claim the credit, employers must file **Form 8850, Pre-Screening Notice and Certification Request** for the credit with their state workforce agency.
- ▶ Before an employer may claim the credit, the employer must obtain certification that an individual is a member of a targeted group.
- ▶ A taxable business may apply the credit against its business income tax liability and tax-exempt employers can claim the credit against payroll taxes. The instructions for **Form 3800, General Business Credit**, provide more details.
- ▶ Employers cannot claim the WOTC for employees who are rehired.

Targeted Groups

- › Qualified IV-A Recipient
- › Qualified Veteran
- › Ex-Felon
- › Designated Community Resident (DCR)
- › Vocational Rehabilitation Referral
- › Summer Youth Employee
- › Supplemental Nutrition Assistance Program (SNAP) Recipient
- › Supplemental Security Income (SSI) Recipient
- › Long-Term Family Assistance Recipient
- › Qualified Long-Term Unemployment Recipient