

# FACT SHEET on the Work Opportunity Tax Credit

## What is the WOTC?

The Work Opportunity Tax Credit (WOTC) provides a tax credit for an employer who hires certain people with disabilities and other specified individuals who face challenges getting a job.

You may be entitled to a WOTC tax credit if you hire an unemployed veteran, someone who has received food stamps (SNAP benefits), a client of Vocational Rehabilitation (VR) or employment network under the Ticket to Work program, or someone who faces other challenges getting a job.

You can get a tax credit of between \$1200 and \$9600 for each WOTC-eligible hire.



## How Do I Apply?

Getting the WOTC tax credit means doing some extra paperwork, but it's really not that complicated.

Complete the following steps to apply for the WOTC:

- **Understand the types of workers eligible for WOTC.** See the box on the following page.
- **Pre-screen the candidate and ask them to complete form 8850.** Ask the person you want to hire to fill out the first page, then you complete page 2. *Important Note: Form 8850 needs to be completed ON or BEFORE the day the job offer is made.*
- **Fill out form 9061** from the U.S. Department of Labor Employment and Training Administration or ETA. Include documentation of how the candidate meets the eligibility requirements for the WOTC. *Important Note: If your job candidate already has a 9062 form you only have to complete the employer part of the form.*

**Tip: Submit the forms within 28 days of when your new employee starts working for you**

- **Upload both completed, signed, and dated forms to the Tennessee Department of Labor & Workforce Development (SWA).** All of these are uploaded on the WOTC portal on tn.gov/workforce, located at the bottom of the page. [Listed as "WOTC Portal"]
- **The Department of Labor & Workforce Development will issue a final determination** on your WOTC application. If the requirements are met, the State Workforce Agency will issue this certificate through their WOTC portal for convenient access to download at any time.
- **Most employers file with the IRS using form 5884.** If your organization is tax exempt and you hire an eligible veteran, you fill out form 5884-C

**Important Note: The Work Opportunity Tax Credit is a Federal program that was initiated by passage of The Small Business Job Protection Act of 1996. The most recent WOTC authorization was passed on December 18, 2015 when President Obama signed the Protecting Americans from Tax Hikes Act of 2015 (the PATH Act) into law. See next page for more information on the PATH Act.**

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## Who Can I Contact if I Have Questions?

Department of Labor & Workforce Development  
220 French Landing Drive  
Nashville, Tennessee 37243  
Phone: 844-216-8495, Hours 8:00 AM - 4:30 PM  
Fax: 615-532-1612  
E-mail: [WOTC.info@tn.gov](mailto:WOTC.info@tn.gov)

### What types of workers are eligible for the WOTC?

- Certain people with disabilities who are getting SSI benefits or vocational rehabilitation
- Summer youth employees
- Ex-felons
- Members of a family that have received TANF or Food Stamp (SNAP) recipients
- Veterans [Conditions Apply]
- People who live in low-income communities
- Long-Term Unemployment Recipients

### Who is *not* eligible for the WOTC?

- Relatives or majority owners of the business do not qualify
- The employee must be a new hire--not a current or former employee regardless of how long it has been since the person last worked for

## Where Can I Learn More?

For eligibility requirements, visit the [Work Opportunity Tax Credit](http://www.doleta.gov/WOTC) page at [www.doleta.gov/WOTC](http://www.doleta.gov/WOTC).

For more information on filing with the IRS, visit <http://tinyurl.com/zqkjfhk>

## The PATH Act:

Retroactively reauthorizes the WOTC program target groups for a five-year period, from December 31, 2014 to December 31, 2019

Extends the Empowerment Zones for a two-year period, from December 31, 2014 to December 31, 2016

Introduces a new target group, Qualified Long-Term Unemployment Recipients, for new hires that begin to work for an employer on or after January 1, 2016 through December 31, 2019.

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## Other Helpful Employer Resources

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### **EARN: Employer Assistance and Resource Network**

<http://www.askearn.org/>

Resources to help employers recruit, hire, retain, and advance individuals with disabilities

### **Employer Toolkit**

[http://bbi.syr.edu/projects/Demand\\_Side\\_Models/Toolkit.html#resources](http://bbi.syr.edu/projects/Demand_Side_Models/Toolkit.html#resources)

This website includes briefs, resources, and webinars on incorporating people with disabilities into the workplace.

**For information on TennesseeWorks please contact:  
(615) 322-4999  
[tennesseeworks@vanderbilt.edu](mailto:tennesseeworks@vanderbilt.edu)**