

2009 Handbook of Employment Regulations Affecting Florida Farm Employers and Workers: Work Opportunity Tax Credits (WOTC) Federal¹

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Purpose

Program provides tax credits for employers who hire certain targeted categories of individuals.

Program

In 1996, Congress created the Work Opportunity Tax Credit (WOTC) program as part of the Small Business Job Protection Act. This program replaces the Targeted Jobs Tax Credit (TJTC) program which expired at the end of 1994.

With the new WOTC program, employers who hire certain targeted categories of individuals will be eligible for tax credits. In most cases, the tax credit

will be thirty-five percent of the first \$6,000 in wages for targeted employees.

Targeted Categories of Individuals

- Referrals from vocational rehabilitation.
- Ex felons.
- Food stamp recipients.
- Children whose parents are on welfare.

Tax credits are also available for employers who hire certain economically disadvantaged youths during any ninety-day period beginning May 1st and September 15th and for persons receiving state

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assistance with minor children, youths living in empowerment zones or enterprise communities, and economically disadvantaged youths.

Determining Who Qualifies for Program

To determine if an individual is a member of a targeted group, the U.S. Internal Revenue Service (IRS) has developed Form 8850, *Work Opportunity Credit Pre-Screening Notice and Certification Requests*. Call the IRS at 1(800) 829-3676 for ordering Form 8850.

Using Form 8850

- If employers believe that any new hire is a member of a target group, they should complete Form 8850 on or before the day the job is offered to the applicant.
- Both the employer and applicant should sign Form 8850 and the employer must forward it to the state employment service office within three weeks after the applicant begins work.
- The employment service then reviews Form 8850 and determines whether the applicant is a member of a target group.
- If eligible, the state employment service certifies the applicant.

Other Information

- Labor Relations Bulletin No. 512, Florida Fruit and Vegetable Association, Orlando, FL, October 31, 1996

Responsible Agency (Tax Credit)

U.S. Department of the Treasury

Internal Revenue Service

Washington, DC 20224

<http://www.irs.gov>

Responsible Agency (Certification)

Florida Agency for Workforce Innovation

Work Opportunity Tax Credit

325 John Knox Road, Suite 101, Bldg L

Tallahassee, FL 32303

(850) 921-3299

<http://www.floridajobs.org/wotc/index.html>

For local offices, see telephone directory under

- Florida, State of
- Business and Professional Regulation, Department of
- Florida, Jobs and Benefits Center