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**U.S. Department of Labor  
Employment and Training Administration**

(November 2008)

**ADDENDUM TO:**

**ETA Handbook No. 408**

*(Third Edition, November 2002)*

**for the:**

***CONSOLIDATED***

***Work Opportunity Tax Credit Program***

Division of Adult Services  
Office of Workforce Investment  
Rm. S-4209 - FPB  
Washington, D.C.

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*(The asterisk (\*) denotes new information, additions or deletions)*

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(The asterisk (\*) denotes new information, additions or deletions)

## \*I. THE CONSOLIDATED WORK OPPORTUNITY TAX CREDIT

### \*I. BACKGROUND

\* A. General. The Work Opportunity Tax Credit (WOTC) Program was created by the Small Business Job Protection Act (Public Law 104-188) and the Welfare-to-Work Tax Credit (WtWTC) by the Taxpayer Relief Act of 1997 (Public Law 105-34). On December 20, 2006, the President signed into law the *Tax Relief and Health Care Act of 2006 (P.L. 109-432)*. This legislation not only extended the WOTC Program (retroactively to January 1, 2006) through December 31, 2007, but also eliminated the Welfare-to-Work Tax Credit (WtWTC) by merging it into the WOTC Program, and repealed permanently section 51(A) of the IRC. Congress also amended certain statutory definitions with respect to new hires that began to work for an employer after December 31, 2006. The reauthorization applies to new hires that begin work for an employer on or after January 1, 2007, and before January 1, 2008. P.L. 109-432 reauthorized the consolidated WOTC program under Section 51 of the Internal Revenue Code.

\* Within less than five months of P.L. 109-432, the Congress passed another legislation extending the WOTC Program for a 44-month period. On May 25, 2007, *the Small Business and Work Opportunity Tax Act of 2007 (P.L. 110-28)* was signed into law. Section 8211 of this Act provides a continuing extension of the WOTC Program through August 31, 2011.

\* There are nine (9) target group designations for the consolidated WOTC program. The WOTC target group titles and designations are as follows:

- \* ❖ Qualified IV-A Recipient (A)
- \* ❖ *Qualified Veteran (B)*
- \* ❖ *Qualified Ex-felon (C)*
- \* ❖ *Designated Community Resident (D)*
- \* ❖ *Vocational Rehabilitation Referral (E)*
- \* ❖ Qualified Summer Youth Employee (F)
- \* ❖ Qualified Food Stamp Recipient (G)
- \* ❖ Qualified Supplemental Security Income Recipient (H)
- \* ❖ Long-Term Family Assistance Recipient (I)

(The asterisk (\*) denotes new information, additions or deletions)

\* B. Legislative Authority.

- \* 1. Section 8211 of *the Small Business and Work Opportunity Tax Act of 2007 (P.L. 110-28)*, Section 105 of the *Tax Relief and Health Act of 2006 (P.L. 109-432)*, Title 26 of the United States Code (U.S.C.), and Section 51 of the Internal Revenue Code of 1986, as amended. Please note that Title 26 U.S.C. is the Internal Revenue Code.

C. Legislative Intent.

1. This tax credit incentive was designed to appeal to a wide range of businesses, to impose a minimal burden upon participating employers, and to promote the hiring of disadvantaged individuals. The Work Opportunity Tax Credit was designed, specifically, to streamline the eligibility determination process used by previous tax programs as well as to close the gaps that appeared between and within some target group designations.

\*D. WOTC and Ticket to Work.

On March 2, 2004, President Bush signed into law the Social Security Protection Act of 2004, Public Law 108-203. Section 405 of this Act makes the WOTC available to employers who hire certain participants (called Ticket Holders) in the Ticket to Work Program. Employers may claim the WOTC for eligible SSDI beneficiaries and disabled or blind SSI recipients participating in the Ticket to Work Program who are currently under an Individual Work Plan (IWP) with an Employment Network (EN).

1. The new provision provides Employment Networks with a marketing tool to offer businesses an incentive to hire individuals with disabilities who receive employment services, vocational rehabilitation services, and other support services under the Ticket to Work Program.

*(The asterisk (\*) denotes new information, additions or deletions)*

\* E. Effective Date.

Guidelines in the Addendum to ETA Handbook 408, 3<sup>rd</sup>. Edition, November 2002, are effective upon receipt.

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## \*II. CONSOLIDATED WORK OPPORTUNITY TAX CREDIT NEW PROVISIONS

\* A. Target Groups At-A-Glance. The following pages offer a complete and concise view of each target group including the two recent WOTC laws, target group requirements, amendments and new provisions, and information regarding the calculation of the credit for different target groups.

\* B. Summary of Recent Statutory Amendments and Provisions. Specifically, Section 8211 of P.L. 110-28,

- \* 1. Renames the High-Risk Youth group (D) and calls it *Designated Community Resident* (DCR).
2. Amends the statutory definition of a DCR.
3. Establishes a specific eligibility determination process for DCRs.
- \* 4. Clarifies and establishes the criteria for what constitutes “qualified wages” for *Designated Community Residents*.
- \* 5. Defines a *Rural Renewal County* for DCRs.
- \* 6. Clarifies the conditions for considering “ticket holders” as members of the *Vocational Rehabilitation Referral* target group.
- \* 7. Expands the definition of the “Qualified Veteran” target group to include “*disabled veterans*” who are entitled to compensation for a service-connected disability, and provides new requirements and definitions.
- \* 8. Defines the terms “compensation” and “service connected” as having the meanings under Section 101 of Title 38 of the United States Code, pertaining to veterans benefits.

(The asterisk (\*) denotes new information, additions or deletions)

- \* 9. Increases the amount of “qualified wages,” for *Disabled Veterans* only, from \$6,000 to \$12,000.

Specifically, Section 105 of P.L. 109-432,

- \* 1. Amends the statutory definitions of two WOTC target groups in Section 51 of the Internal Revenue Code as follows:
  - a) Ex-Felons - removes economic eligibility determination based on family income, and
  - b) Food Stamp Recipients - increases eligibility age from 18-25 to 18-40.
- \* 2. Extends the certification request filing date from 21 to 28 days after the new hire begins work for the employer.
- \* 3. Repeals Section 51(A) of the Internal Revenue Code by merging the WtWTC into the WOTC and creating a new WOTC target group I, entitled “Long-Term Family Assistance Recipient.”

These statutory changes and provisions are discussed in detail in this updated version of the May 2005 Addendum.



(The asterisk (\*) denotes new information, additions or deletions)

## Qualified Veteran target group designation (B)

This target group has been expanded and now includes “disabled veterans,” who are entitled to compensation for a service-disconnected disability and refers to any veteran certified by the SWA/DLA as one who:

- ❖ is a member of a family receiving assistance under a Food Stamp Program under the Food Stamp Act of 1977 for, at least, a 3-month period within the last 15 months (See IRS Form 8850, Rev. October 2002), and
- ❖ has served on active duty (other than active duty for training) in the Armed Forces of the United States for a period of more than 180 days, or was discharged or released from active duty in the Armed Forces of the United States for a service-connected disability; and
- ❖ did not have any day during the 60-day period ending on the hiring date which was a day of “extended active duty” in the Armed Forces of the United States. The term “extended active duty” means a period of more than 90 days during which the individual was on active duty, other than active duty for training.

\* P.L. 110 - 28 expanded the definition of the *Qualified Veteran* target group to include “*disabled veterans*” who:

- ❖ are entitled to compensation for a service-connected disability, and
- ❖ have a hiring date which is not more than one year after having been discharged or released from active duty in the Armed Forces of the United States, or

(The asterisk (\*) denotes new information, additions or deletions)

- ❖ have aggregate periods of unemployment during the one-year period ending on the hiring date that equal or exceed six months.

\* “Qualified wages” for Disabled Veterans was increased from \$6,000 to \$12,000.

### Clarification.

**Dishonorably Discharged.** The initial legislative history of the former Targeted Jobs Tax Credit (TJTC) Program is specific in its intent to include persons who were “dishonorably discharged” from military service if they meet the eligibility requirements of a targeted group, including the current expanded “Qualified Veterans” target group. This legislation does not change the veterans’ definitions for other employment and training programs administered by the Department of Labor.

The tax credit for this target group is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working at least 120 hours but less than 400 hours. This allows a maximum credit amount of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first-year wages up to \$6,000. This allows a maximum credit amount of \$2,400.

\* **Disabled Veterans and the WOTC.** The tax credit for the expanded Veteran target group is calculated at the rate of 25% of the qualified first-year wages up to \$12,000 for employees working at least 120 hours but less than 400 hours. **This allows a maximum credit amount of \$3,000.** For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first-year wages up to \$6,000. **This allows a maximum credit amount of \$4,800.**

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### \*Qualified Ex-Felon target group designation (C)

\* This target group refers to any person certified by the Designated Local Agency as one who:

- ❖ has been convicted of a felony under any statute of the United States or any State; and
- ❖ has a hiring date which is not more than one (1) year after the last date on which he/she was so convicted or was released from prison.

\* P.L 109-432 eliminates the economic eligibility determination test for Ex-Felons. It is no longer required to establish ex-felon target group eligibility.

#### \*Clarification.

**Deferred Adjudication.** The definition of the Ex-Felon target group has been clarified, in past legislation, to treat an individual as convicted if a State Court places the individual on probation without a finding of guilty...[but only if the court considers this to have been a "conviction,"] (i.e., "deferred adjudication." For this definition and source, please, see Congressional Record, October 26, 1990, p. H12733).

**Note 1.** Ex-Felons who are participating in a transitional program; e.g., "work release," are eligible for the WOTC program if they were convicted of a felony and served a jail sentence as defined above.

**Note 2.** Individuals convicted of a felony while in military service may also be eligible under the ex-felon target group.

The tax credit for this target group is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working at least 120 hours but less than 400 hours. This allows a maximum credit amount of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first-year wages up to \$6,000. This allows a maximum credit amount of \$2,400.

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\* Designated Community Resident  
target group designation (D)

\*This target group is no longer called *High-Risk Youth* and refers to any person certified by the SWA/DLA as one who has:

- attained age 18 but not 40 on the hiring date, and
- his/her principal place of abode within an Empowerment Zone (EZ), a Renewal Community (RC), or a Rural Renewal County (RRC).

\* **Eligibility Determination of Designated Community Residents (DCRs).** Eligibility determination involves verification of: 1) age, and 2) location of the individual's principal place of abode. There are two ways SWAs/DLAs can do this: 1) by reviewing the instructions for completing IRS Form 8850. These instructions list all EZs, RCs, and RRCs, or 2) by verifying the location of the RRCs on-line at: [www.usps.gov](http://www.usps.gov) and following these steps: a) Click on *Find a ZIP Code*; b) Enter and submit the *Address and Zip Code*, and c) Click on *Mailing Industry Information*. SWAs/DLAs should download and print the U.S. Postal Service Mailing Industry Information sheet and keep a copy in the case file of the employer, consultant or new hire.

\* In the case of a DCR, the term "qualified wages" must not include wages paid or incurred for services performed while he/she lived outside an EZ, RC or RRC.

The tax credit for this target group is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working at least 120 hours but less than 400 hours. This allows a maximum credit amount of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first-year wages up to \$6,000. This allows a maximum credit amount of \$2,400.

### \*Vocational Rehabilitation Referral target group designation (E)

This target group refers to any person certified by the State Workforce Agency/Designated Local Agency as:

- ❖ having a physical or mental disability which, for such individual, constitutes or results in a substantial handicap to employment; and
- ❖ being referred to the employer upon completion of or while receiving individualized services pursuant to a plan of employment under a state plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973; or
- \* ❖ being referred to the employer upon completion of or while receiving individualized services pursuant to a plan of employment under a vocational rehabilitation program for veterans, carried out under Chapter 31 of Title 38, U.S. Code.

**\*Note.** A new tier of eligible individuals, under the WOTC Vocational Rehabilitation Referral target group, was created by the Social Security Protection Act of 2004 (P.L. 108-203), March 2, 2004. These are “ticket holders,” who receive vocational rehabilitation services, employment services, and assistance in developing an Individual Work Plan (IWP) from private Employment Networks (ENs) pursuant to Subsection (g) of Section 1148 of the Social Security Act.

The tax credit for this group is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working, at least, 120 hours but less than 400. This allows for a maximum credit of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first-year wages up to \$6,000. This allows for a maximum credit amount of \$2,400.

\* Qualified Food Stamp Recipient  
target group designation (G)

This target group refers to any person certified by the Designated Local Agency as one who:

- ❖ has attained the age of 18, but not yet age 40, on the hiring date; and
- ❖ is a member of a family:
  - receiving assistance under a food stamp program under the Food Stamp Act of 1977 for the 6-month period ending on the hiring date; or
  - receiving such assistance for at least 3 months out of the 5-month period ending on the hiring date, [in the case of an able-bodied adult without dependents who has been determined ineligible to participate in the Food Stamp Program as the result of a failure to comply with the work requirements of section 6(o) of the Food Stamp Act of 1977.]

**Clarification.**

An “able-bodied adult without dependents” is an individual who is subject to section 6(o) of the Food Stamp Act (see below). To comply with the requirements of section 6(o), an individual must (A) work 20 hours or more per week, averaged monthly; (B) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the SESA or DLA; or (C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

**Note.** An individual is subject to section 6(o) of the Food Stamp Act if he or she satisfies the following:

- (a) is at least age 18 but not yet 40,
- (b) is physically and mentally fit for employment,
- (c) is not responsible for a dependent child,
- (d) is not pregnant,
- (e) is not exempt from any of the requirements listed here because of geography or a state's discretion, and
- (f) does not meet any of the following exceptions:
  - 1) complies with the work requirements of Title V of the Social Security Act,
  - 2) receives unemployment compensation,
  - 3) is a drug or alcohol center participant, or 4) is an eligible student.

The tax credit for this target group is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working at least 120 hours but less than 400 hours. This allows a maximum credit amount of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first-year wages up to \$6,000. This allows a maximum credit amount of \$2,400.

## \* Long-Term Family Assistance Recipient

### \*Group Designation (I)

\*This group refers to any recipient certified by the SWA/DLA as one, who is a member of a family that:

- ❖ has received Temporary Assistance to Needy Families (TANF) or a successor program) for at least 18 consecutive months ending on the hiring date; or
  - ❖ has received family assistance for a total of at least 18 months (whether or not the 18 months are consecutive) beginning after the day of enactment (i.e., August 5, 1997), and has a hiring date that is not more than two years after the end of the earliest 18-month period; or
  - ❖ whose TANF eligibility expired under a Federal or State law after the day of enactment (i.e., August 5, 1997), for applicants hired within two years after their eligibility expired.
- \* Section 105 of P.L. 109-432 repeals Section 51(A) of the Internal Revenue Code by merging the Welfare-to-Work Tax Credit (WtWTC) into the WOTC and creating a new WOTC target group I, entitled “Long-Term Family Assistance Recipient.” The new WOTC target group retains the statutory definition and the more generous tax credit provisions of the former WtWTC. With respect to this target group only:
- ❖ First-year WOTC is increased from 35 (formerly a WtWTC provision) to 40 percent of qualified first-year wages, which continue to be capped at \$10,000.
  - ❖ Second-year WOTC is retained at 50 percent of qualified second-year wages, again capped at \$10,000, for a maximum two-year credit of \$9,000.



- ❖ Wages taken into consideration are calculated in the same manner as for the other WOTC target groups.

\* Note. Wages no longer include certain amounts excludable from the recipient's gross income. (See the November 2002, Third Ed., of ETA Handbook 408 for additional information)

\* The **Minimum Employment Retention Period** is calculated in the same manner as for the WOTC. Therefore, the 180 days of service formerly required for certified WtWTC (Long-Term TANF Recipients) employees no longer applies to this target group under the consolidated WOTC.

\*Note. For the other adult target groups (except Summer Youth) "the 40-percent rate" applies to qualified first-year wages only if the employee works at least 400 hours or more. **If the employee works at least 120 hours, but fewer than 400 hours, the credit is 25 percent of qualified first-year wages capped at \$6,000 (\$3,000 for Summer Youth).**"

B.\* Essential Terms:

\* **Compensation and Service Connected Benefits for *Disabled Veterans*** are defined in Section 101 of Title 38 of the United States Code as follows:

- Section 101(13) defines **compensation** as a monthly payment made by the Secretary to a veteran because of a service-connected disability, and
- Section 101(16) defines **service-connected**, with respect to a disability, as meaning that the disability was incurred or aggravated in the line of duty in the active military, naval, or air service.

**Employment Networks (ENs)** refer to private agencies, which provide disabled individuals called “ticket holders” with employment and vocational rehabilitation and other supportive services. The EN works with the ticket holder to establish an individual work plan described in section 1148(g) of the Social Security Act (42 U.S.C. 1320b-19(g)(1)).

\* **Employer Timely Certification Request Process.** Employers can satisfy the requirement to obtain a Certification that certifies a worker as a member of a WOTC target group by:

- completing a “Pre-Screening Notice” (IRS Form 8850) with respect to the prospective employee on or before the day the individual is offered employment; **and**
- submitting IRS Form 8850, to the SWA/DLA, within **28** calendar days after the individual begins work.

**MAXIMUS** is the Program Manager. Day-to-day administration of the Ticket to Work Program is the responsibility of the Program Manager (PM). The Social Security Administration has contracted with MAXIMUS, a private company, to perform this role.

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- \* **Notice of Revocation (NOO)** refers to the letter of notification of ineligibility a SWA/DLA must send, by certified mail, to the affected employer/consultant and the IRS following such finding during each quarterly audit.  
  
**Note.** This notification must be made within five (5) days of a determination of ineligibility. Employer eligibility for the tax credit does not cease until the date that the employer is notified that the Certification(s) has (have) been revoked/invalidated (See Appendix. VI. Miscellaneous for a sample of a Notice of Revocation). SWAs are free to design their own forms as long as the content of the sample NOO is not changed.
  
- \* **Qualified First-Year Wages**, for the WOTC *Long-Term Family Assistance Recipient* new hire, are wages that an employee earns during the first-year period, which begins the day the employee starts work. The maximum amount of wages to which the 40 percent credit may be applied during the first year must not exceed \$10,000 for a maximum credit of \$4,000.
  
- \* **Qualified Second-Year Wages**, for the WOTC *Long-Term Family Assistance Recipient* new hire, are wages that an employee earns during the second-year period. During the second year, the maximum amount of wages to which the 50 percent may be applied must not exceed \$10,000 for a maximum credit of \$5,000. *Under the consolidated WOTC, employers can claim up to \$9,000 of combined tax savings per new hire.*
  
- \* **Qualified First-Year Wages**, for the *Disabled Veteran* new hire, are wages that an employee earns during the first-year period, which begins the day the employee starts work. The maximum amount of wages for this expanded group is \$12,000 for a maximum credit of \$4,800.
  
- \* **Rural Renewal County** is outside a metropolitan statistical area (MSA), as defined by the Office of Management and Budget (OMB), and during the five-year periods, 1990 through 1994, and 1995 through 1999, had a net population loss.

**Ticket Holder** refers to Social Security Disability Insurance (SSDI) beneficiaries and disabled or blind Supplemental Security Income (SSI) recipients, who choose to participate in the Ticket to Work Program<sup>1</sup> and choose an Employment Network for services.

- \* **Ticket to Work and Self-Sufficiency Program** is an employment program for people with disabilities who are interested in going to work. The Ticket to Work Program is part of the Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170) legislation.

This program was designed to remove many of the barriers that previously influenced people’s decisions about going to work because of the concerns over losing health care coverage. The goal of the Ticket to Work Program is to increase opportunities and choices for Social Security disability beneficiaries to obtain employment, vocational rehabilitation (VR), and other support services from public and private providers, employers, and other organizations.

Under the Ticket to Work Program, the Social Security Administration provides disability beneficiaries with a Ticket ([\[Click here\]](#) to see an image of a Ticket) they may use to obtain the services and jobs they need from a new universe of organizations called Employment Networks (ENs).

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1. For additional information and program guidance on WOTC and the Ticket to Work Program see: “Ticket to Work Eligibility Under the [WOTC] Program,” TEGL No. 15-04, dated January 31, 2005. (See Appendix VI. “Tools and Resources” for its contents)

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## \*VII. WORK OPPORTUNITY TAX CREDIT CERTIFICATION PROCESS

All eligibility criteria should be fully documented prior to the issuance of a Certification. All supporting documentation obtained should be retained in the WOTC files as instructed in the Handbook.

### 3. Timely Mailing Treated As Timely Filing.

- a. USPS regulations require that a document must be deemed to be filed on the date of the postmark stamped on the cover in which such document was mailed.
- \* b. The statutory requirement for “timely filing” of all certification requests has been extended from 21 to 28 days after the new hire begins work for the employer.
- \* G. Special Rules for Timeliness.
  - \*1. When the last day of the 28-calendar day period ends on a Saturday, Sunday or legal holiday, the next succeeding business day, which is not a Saturday, Sunday or legal holiday will be treated as the last day of the period. Certification requests, which are postmarked according to this rule, will be considered timely.
  - 2. By mailing the documents to the SWA/DLA in a timely manner, the employer has fulfilled the "timely request" requirement, even if ETA Form 9061 or 9062 was not filed together. All supporting documentation obtained should be retained in the WOTC case files as instructed in the Handbook.

\*E. Examples of Documentary Evidence. The following list of documentation is not all-inclusive. SWAs/DLAS may use other document sources that they deem appropriate to verify and establish target group eligibility. **Note.** Form I-9 is no longer an acceptable piece of documentary evidence. **An ETA/USES directive, *Employment Service Program Letter (ESPL) No. 05-98, dated March 18, 1998*, officially rescinded authority to use this form as proof of age and residence.**

<p><u>AGE/BIRTHDATE*</u> (required for High Risk, Summer Youth &amp; Food Stamp) *</p> <ul style="list-style-type: none"> <li>▪ Birth Certificate</li> <li>▪ Driver's License</li> <li>▪ School I.D. Card/School Records</li> <li>▪ Work Permit</li> <li>▪ Federal/State/Local Government I.D. <sup>1</sup></li> <li>▪ Hospital Record of Birth</li> </ul>	<p><u>FOOD STAMP RECIPIENT</u></p> <ul style="list-style-type: none"> <li>▪ Food Stamp Benefit History</li> <li>▪ Signed statement from authorized individual with specific description of months benefits were received.</li> <li>▪ Case Number/Identifier</li> </ul>	<p><u>VETERAN STATUS</u></p> <ul style="list-style-type: none"> <li>▪ DD-214</li> <li>▪ Reserve Unit Contacts</li> <li>▪ Discharge Papers</li> </ul>	<p><u>SUMMER YOUTH AND DESIGNATED COMMUNITY RESIDENT LIVING IN AN ENTERPRISE ZONE /RENEWAL COMMUNITY OR RURAL RENEWAL COUNTY</u></p>
<p><u>EX-FELON STATUS *</u></p> <ul style="list-style-type: none"> <li>▪ Parole Officer's Name/Statement</li> <li>▪ Correction Institution Records</li> <li>▪ Court Record, Extract, Contact</li> <li>▪ Parole Officer's Statement</li> </ul>	<p><u>SSI RECIPIENT</u></p> <ul style="list-style-type: none"> <li>▪ SSI Record or Authorization</li> <li>▪ SSI Contact</li> <li>▪ Evidence of SSI Issuance</li> </ul>	<p><u>VOCATIONAL REHABILITATION REFERRAL</u></p> <ul style="list-style-type: none"> <li>▪ Voc. Rehab. Agency Contact</li> <li>▪ Social Services Agency</li> <li>▪ Veteran's Administration Contact</li> </ul>	<ul style="list-style-type: none"> <li>▪ Driver's License</li> <li>▪ Work Permit</li> <li>▪ Utility Bills</li> <li>▪ Lease Documents</li> <li>▪ Voter Registration Card</li> <li>▪ Computer Printout From Other Government Agencies</li> <li>▪ Food stamp Award Letter</li> <li>▪ Housing Authority Verification</li> <li>▪ Landlord's Statement</li> <li>▪ Letter From Social Service Agency or School</li> <li>▪ Library Card <sup>2</sup></li> <li>▪ Medicaid/Medicare Card</li> <li>▪ Property Tax Record</li> <li>▪ Postmarked Envelope Addressed to Applicant</li> <li>▪ Public Assistance Records</li> <li>▪ Rent Receipt</li> <li>▪ School I.D. Card</li> <li>▪ Selective Service Registration Card</li> <li>▪ W-4</li> </ul>
<p><u>DESIGNATED COMMUNITY RESIDENT (DCR).</u> To determine if the address of a DCR is in a Rural Renewal County (RRC), visit the site <a href="http://www.ups.com">www.ups.com</a>. Click on <i>Find a Zip Code</i>; Enter &amp; Submit <i>Address/Zip Code</i>; Click on <i>Mailing Industry Information</i>; Download &amp; Print for Case file. ***</p>	<p><u>TICKET HOLDER (Ticket to Work Program)</u></p> <p>Telephone call by SWA to MAXIMUS to verify if applicant is:</p> <ol style="list-style-type: none"> <li>1) a ticket holder, and</li> <li>2) has an IWP with an Employment Network (EN).</li> </ol>	<p><u>AFDC/TANF &amp; Long-Term Assistance Recipient</u></p> <ul style="list-style-type: none"> <li>▪ TANF Benefit History</li> <li>▪ Signed statement from authorized individual with specific description of months benefits were received.</li> <li>▪ Case Number/Identifier</li> </ul>	

<sup>1</sup> Where any item of documentation such as a Federal I.D. Card does not contain age or birth date, the SESA/SWA must obtain another documentary source to verify the individual's age.

<sup>2</sup> Where any item of documentary evidence, such as a Library Card does not contain the holder's address, the SESA/SWA must obtain other documentary evidence issued in the jurisdiction where the EZ/EC or RC is located showing the holder's address.

\*\*\* To establish residence in a RRC for a Designated Community Resident, you may also want to read and follow the revised Instructions to the June 2007, IRS Form 8850 on page 4 under Rural Renewal counties.

## \*VIII. ADMINISTRATIVE AND REPORTING REQUIREMENTS.

### I. Program Reporting Requirements.

In its efforts to prepare for the challenges faced as today's solutions-based revolution in the workforce investment advances and to support and comply with the proposed Workforce Investment Act (WIA) proposed reauthorization provisions and the President's High-Growth Job Initiative, ETA is moving forward to streamline service delivery in the public workforce investment system. The WIA proposed legislation has five key principles:

1. Increasing Flexibility,
2. Strengthening Accountability,
3. Reducing Overhead Costs,
4. Creating More Effective Governance, and
5. Strengthening One-Stop Career Centers

The WOTC Program joins these principles and other workforce programs and current ETA initiatives, by reducing the WOTC Federal reporting requirements and burden to the minimum level possible. WOTC reporting streamlining efforts include a:

- reduction in the number of required ETA quarterly reports from three to one;
- conversion of ETA Form 9057 - Report 1 and ETA Form 9059 - Report 3 into Summary Worksheets that SWAs should use as part of their program administration; and
- revision of the electronic EIMS Tax Credit Reporting System (TCRS) including revision to the system's users' guide.

In order to effectively meet its management responsibilities and to have adequate data with which to evaluate the Work Opportunity and Welfare-to-Work Tax Credits, ETA must impose

the minimum following reporting requirements upon the SWAs/DLAs:

- \* 1. On a quarterly basis, SWAs/DLAs must extract data, either, from Conditional Certifications, Individual Characteristics Forms (ICFs), and/or Certifications. The data sources will depend upon each state's processing procedures. This information is reported to the Division of Adult Services (DAS), Office of Workforce Investment (OWI), on a quarterly basis.
  
- \* 2. Data will be submitted, electronically, to the DAS/OWI, ETA National Office, via the Electronic Business Support System (EBSS) in the revised report, ETA Form 9058, consisting of the following sets of data:
  - a.) The certification workload and characteristics of certified individuals by: target group, hourly wage, and occupation reported; and
  - b.) Results of agency quarterly verification (quarterly audits of Certifications made) activities, including universe size, sample size, and the number and percentage of ineligible Certifications identified.

\*J. Reporting Procedures.

All SWA/DLA WOTC Coordinators must prepare the quarterly report during the calendar year. The report must include information collected from throughout the state. Data will be reported beginning with a zero balance for each reporting quarter and after the first quarter year-to-date data will also be reported. This change from the accumulation of data throughout the fiscal year was necessary because of additional requirements to respond to various inquiries using quarterly data in various annualized configurations.



**(Continue updates to this section)**

- \* 1. Submitting the Report.  
All quarterly report data must be entered in the electronic Tax Credit Reporting System (TCRS). This system allows the transfer of the WOTC quarterly report data to ETA's EBSS via the Internet. The TCRS allows the states to meet their reporting responsibilities in a more efficient manner while reducing the reporting burden on the state, regional, and national office levels. Through this system, states will enter the required quarterly program data for Report 1, ETA Form 9058, *"Certification Workload and Characteristics of Certified Individuals, Work Opportunity Tax Credit."*
- \* This report has been updated to reflect the statutory changes and new provisions introduced by P.L. 110-28 and 109-432. It has been redesigned to capture all necessary program data in a one-page format. For example, 1) its title no longer includes reference to the WtWTC; 2) target group "I. Long-Term TANF Recipient" has been added to column "I) By WOTC Target Group" as box number 9; and under "Part II. *Characteristics of Certified Individuals,*" 3) the columns entitled (c) **WtW Only** and (d) **Duals** for Columns I, J, and K have been deleted.
- \* **Note.** Report 1 - ETA Form 9057, "Conditional Certifications, Work Opportunity Tax Credit;" and Report 3 - ETA Form 9059, "Verification Results" are no longer required to be sent to ETA. The titles no longer include reference to the WtWTC. These report forms are to be used as *Worksheets ONLY* for SWAs' internal administration and audit purposes.
- a.) The Regional Coordinators must accept/deny the SWAs' new required report, within their regions, by the 55th calendar day following the closing date of the report period.

- b.) When completing the *Audit Summary Worksheet*, SWAs must select a “statistically random sample” and initiate verification activities on a quarterly basis, but not later than the month immediately following the report period. The former delay in reporting the results should help the SWAs’ audit summary worksheet since it allows for the lag-time in obtaining UI wage records commonly used in verifying certain employer and employee information. This delay will afford the SWAs ample time to review documents, verify information sources, and, if necessary, verify a second sample of data.

\*

2. Completing the Forms.

Complete all items and ensure that all information is legible and accurate. The following data applies only to individuals hired on or after January 1, 2007:

- a.) State. Enter the name of the State.
- b.) Period Ending. This is the last day covered by the report; e.g., September 30, 2006.
- c.) Name and Title of Responsible Official. Enter the name and title of the person authorized to sign the report.
- d.) Signature. Responsible official signs the report.
- e.) Date Signed. Enter the date the report is signed by the responsible official.
- f.) General Approach. Prepare the required report based on data from the administrative/processing forms; e.g., 8850s/CRs, ICFs, Conditional Certifications and Certifications. Include the number of individuals served in each target group, data on tax credit authorized, starting wages and occupations in which individuals were hired.

g.) ETA Form 9057, Summary Worksheet. This form is for SWAs' internal use only. It is designed to summarize the number of Conditional Certifications (ETA Form 9062s) issued during each reporting quarter by the SWAs/DLAs, Participating Agencies (PAs) and by target group.

\* The Worksheet also reflects the changes introduced by P.L. 109-432. By merging the WtWTC into the WOTC, this law repealed Section 51(A) of the Internal Revenue Code. This form has been revised and updated to reflect this statutory change as follows: 1) the columns entitled **WtW** and **Dual Tax Credit** under Sections "I. By Issuing Agency" and "II. By WOTC or Long-Term IV-A Recipient Group" have been deleted;" 2) reference to the Long-Term IV-A Recipient WtW target group has also been removed from the Section II. title, which now reads: "II. By WOTC Target Group;" and 3) the new WOTC target group "I. Long-Term IV-A Recipient" has been added as box 21 under Section "II. By WOTC Target Group."

\* The Worksheet is divided into two sections. The first section, entitled "I. By Issuing Agency," gathers the number of WOTC Conditional Certifications (CCs) issued by the SWAs and all PAs (boxes 1-10).

Where no CCs have been issued, enter "0."

\* The second section, entitled "II. By WOTC Target Group," summarizes the same information -- the number of WOTC CCs issued by target group including Ticket Holders (boxes 13-21).

Where no CCs have been issued, please enter "0."

\* The quarterly and year-to-date (cumulative) totals in Sections I (boxes 10 and 11 respectively) should equal the quarterly and year-to-date (cumulative) totals in Section II (boxes 22 and 23, respectively).

\*

**Note.** This Worksheet has also been updated to reflect the number of CCs issued to Ticket Holders by Employment Networks (ENs) under the Ticket to Work Program as required by the *Social Security and Protection Act of 2004, P.L. 108-203*. "Line 9. Employment Networks" was added under Section "I. By Issuing Agency" to obtain the number of CCs issued by those ENs that have a Cooperative Agreement with the SWAs. Under Section "II. By WOTC Target Group," Line 17a. *Ticket Holders* was added to obtain the number of CCs issued for this new tier of disabled individuals. This further break down shows the number of CCs issued to the three types of Ticket Holders. The last new column, "Total #22," is the total number of CCs issued to all WOTC target groups including Ticket Holders.

\*

**Note.** This form no longer summarizes conditional certifications by type, i.e., by whether they are original or revalidated (box 3 of ETA 9062). Therefore, counts of CCs in boxes 1-9 and 13-21 should not distinguish between original and revalidated CCs. For example, if in the first quarter of fiscal year 2006, an agency issued 70 original and 30 revalidated CCs, that agency issued 100 CCs.

Note also that this form no longer summarizes conditional certification invalidations.

- h.) ETA Form 9058 - Report # 1. This is the only report required to be prepared by the SWAs on a quarterly basis and sent to the Regional and National Offices. PART I of this report simplifies data reported on certifications and indicates SWAs/DLAs' workload during each reporting quarter. Part II continues to collect data on selected characteristics of individuals with tax credit certifications.
- Background. The purpose of ETA Form 9058 (revised on December 28, 2006) is to provide SWAs/DLAs with a standardized reporting format that accurately reflects

the Work Opportunity Tax Credit (WOTC) program activity levels and outcomes. It is important for SWAs/DLAs to maintain programmatic reporting procedures that account for each tax request (IRS Form 8850) received and its subsequent outcome (i.e., issuance of a tax Certification or a Denial notification).

- A properly completed ETA Form 9058 - Report 1, accurately reflects program use at the employer level, program outcome activity at the SWA/DLA level, and the level of any programmatic backlog that may exist. To ensure that the consolidated WOTC Program can be accurately evaluated at the national level, it is critical that all SWAs/DLAs report in a standardized manner.
- The revisions and updates made to ETA Form 9058 (Rev. Dec. 2006), build on the framework established by the former July 2002, ETA Form 9058. The form itself remains largely the same. However, the technical changes made to Part I (November 2002, Third Ed., ETA Handbook 408), to ensure consistent and accurate reporting of all consolidated WOTC activities during the reporting quarter, remain a primary objective.

\*

**INSTRUCTIONS FOR COMPLETING THIS FORM.** The information collected in this form also covers individuals hired on or after January 1, 2007.

**State.** Enter the name of the state submitting ETA Form 9058.

**Quarter Ending Period.** Enter ending date of the quarter represented by ETA Form 9058.

**Part I. "Certification Workload."** SWAs/DLAs must identify from Part I, Item F on the previous reporting quarter's ETA Form 9058, the number of requests (IRS Form

8850s) determined to be “Incomplete” or “Needing Action,” as defined below:

**(A) Number of Requests Incomplete.** Enter the total number of requests (IRS Form 8850s) received by the SWA/DLA prior to the beginning of the current report period, but for which no applicant eligibility determination action (excluding the 48-hour review) has been taken. This total is to be entered into Part I, Item (A) of ETA Form 9058.

**(B) Number of Requests Needing Action** Enter the total number of requests (IRS Form 8850s) received by the SWA/DLA prior to the beginning of the current report, but for which no review and or action was taken to determine applicant eligibility. This total is to be entered into Part I, Item (B) of recently revised ETA Form 9058.

**(C) New Requests.** Enter the total number of requests (IRS Form 8850s) received by the SWA/DLA during the current reporting quarter. **Note.** Some states may have received requests (IRS Form 8850s) that were not previously recorded and/or reported on any prior quarterly report ETA 9058 for various reasons. It is important for the SWA/DLA to report all requests (IRS Form 8850s) received.

Therefore, any request received outside of the current reporting quarter, which has not previously been reported, should be included with the number of requests received during the current reporting period. That total should be entered as the number of “New Requests”. This total is to be entered into Part I, Item (C) of ETA Form 9058.

**(D) Total Requests to be Processed** Enter the sum of Items A, B and C. This total represents the number of requests (IRS Form 8850s) received by the SWA/DLA that are available to be processed. This total is to be entered under Part I, Item (D) of ETA Form 9058.

(E) **Requests Certified.** Enter the total number of WOTC certifications issued during the current report period.

(F) **Requests Denied.** Enter the total number of requests (IRS Form 8850s) denied by the SWA/DLA during the current report period.

Note. A Denial is a request (IRS Form 8850) determined by the SWA/DLA to be ineligible for the WOTC tax credit.

(G) **Number of Requests Incomplete.** Enter the total number of requests (IRS Form 8850s) received and reviewed by the SWA/DLA, but for which the SWA/DLA could neither approve nor deny due to such things as, but not limited to, the need for additional eligibility documentation for which the SWA/DLA has made a formal request to the employer, authorized tax consultant, or other third party entity, ETA Form 9061 not submitted, etc. Note. This number will also be entered in Part I, Item A, of the subsequent quarterly report ETA Form 9058.

(H) **Number of Requests Needing Action.** Enter the number of requests (IRS Form 8850s) received by the SWA/DLA, but for which no review and or action was taken to determine applicant eligibility.

Note. This value will also be entered in Part I, Item B, of the subsequent quarterly report ETA Form 9058.

Part I, Item H is the sum of Item D, minus Item E, minus Item F, minus Item G.

**Part I. Completion Formula:**

Items  $(A + B + C) = (D - E - F - G) = H$

\*

**Part II. “Characteristics of Certified Individuals.”** This part is divided into three sections (Section I, Section J, and Section K).

Section I, reflects the number of requests (IRS Form 8850s) certified by the SWA/DLA during the current report period by WOTC target group. Section J, reflects the number of requests (IRS Form 8850s) certified by the SWA/DLA during the current report by occupation and Section K, reflects the number of requests (IRS Form 8850s) certified by the SWA/DLA during the current report period by starting hourly wage.

\*

### Section I

Section I, Column (a). Enter the total number of Certifications by target group, issued by the SWA/DLA during the current report period, which resulted from the issuance of a conditional certification.

Section I, Column (b). Enter the total number of WOTC certifications issued by the SWA/DLA during the current report period, by target group.

\*

Section I, Line #10. Enter the sum of columns (a) and (b). **Note.** The total of Section I, Line #10, columns (a) and (b) should equal the total entered in Part I, “Item E, Requests Certified.”

Section I, Line #11. Enter the cumulative federal program year-to-date totals of columns (a) and (b). **Note.** The first quarterly report of the federal program year (October 01/December 31), the totals of Section I, Line #10 and Line #11 should be the same.



\*

### Section J

Section J, Column (a). Enter the total number of WOTC certifications issued by the SWA/DLA during the current report period, by occupation. **Note.** The total for Section J, Column (a), Line #24 is the sum of the column and must equal the total for Section I, Columns (a) and (b), Line #10.

Convert as follow:

<u>Unit of Time</u>	<u>Calculated Hourly Wage</u>
Day	Amount divided by 8
Week	Amount divided by 40
Month	Amount divided by 172

\*

### Section K

Section K, Column (a). Enter the total number of WOTC certifications issued by the SWA/DLA during the current report period, by starting salary wage. **Note.** The total for Section K, Column (a), Line #7 is the sum of the column and must equal the totals for Section I, Columns (a) and (b), Line #10 and Section J, Column (a) line #24.

The occupational data reported in boxes 1-23 are derived from the job titles reported on ETA Forms 9061 or 9062. To prepare this report, SWAs/DLAs must use only, the new O\*NET, Families of Occupations (See: "Table of O\*NET SOC Job Families," below and in p. VIII-22, November 2002, 3<sup>rd</sup> Ed., ETA Handbook 408).

The entry for each line will be a count of the certifications with the corresponding category:

O*NET SOC JOB FAMILIES			
Name	Code	Name	Code
Management Occupations	11	Food Preparation & Serving Related	35
Business & Financial Operations	13	Bldg. & Grounds Cleaning & Maintenance	37
Computer & Mathematical Occupations	15	Personal Care & Service	39
Architecture & Engineering	17	Sales & Related Occupations	41
Life, Physical & Social Sciences	19	Office & Administrative Support	43
Community & Social Services	21	Farming, Fishing, & Forestry	45
Legal Occupations	23	Construction & Extraction	47
Education, Training, & Library	25	Installation, Maintenance & Repair	49
Arts, Design, Entertainment, Sports and Media Occupations	27	Production Occupations	51
Healthcare Practitioner & Technical	29	Transportation & Material Moving	53
Healthcare Support Occupations	31	Military Specific Occupations	55
Protective Service Occupations	33		

ETA Form 9058, Report No. 1, should be used to report the new O\*NET two-digit codes. (See Appendix III for this form). DOT (or Dictionary of Occupational Titles) reporting was discontinued effective December 31, 2003.

**Name and Title of Responsible Official.** Enter the name and title of the authorized signatory official.

**Signature.** Enter the signature of the authorized signatory official.

**Date.** Enter the date of the authorized signatory official's signature.

\* i.) ETA Form 9059 - Audit Summary Worksheet. After all Certifications selected for the audit/verification sample are reviewed, the results of the review must be entered on *ETA Form 9059 - Audit Summary Worksheet*.

\* This Worksheet should be used to summarize the results of the quarterly audit of a randomly chosen sample (See Table - Sample Sizes, p. VII-23 in the Program Handbook) of all the certifications issued for that quarter. The universe of certifications to be audited should include all individual certifications issued for the consolidated WOTC Program's reporting quarter, including those issued for Ticket Holders pursuant to P.L. 108-203, as of March 2, 2004.

(1.) Line 1 - Universe Size. Enter the total number of certifications issued during the reporting period. This number should be the same as the total number of certifications reported in Part I., Certification Actions (System Outputs), Column D of ETA Form 9058 (Report No. 1) for the same quarter.

(2.) Line 2 - Sample Size. Enter the total number of certifications in the audit sample for which verification data was acquired for the audits. This number must equal or exceed the appropriate number shown in the table (p. VII-23) on "sample size" in the Handbook.

(3.) Line 3 - Number Invalid. Enter the number of certifications in the sample that, after verification, were determined to be invalid.

- (4.) Line 4 - Percent Invalid. Calculate and enter the percentage of the sample determined to be invalid using the following formula:

$$\frac{\text{Number of Invalidations}}{\text{Sample Size}} \times 100$$

**Note:** If this percentage is less than 5 percent do not complete lines 5 and 6. If the percentage of Line 4 is 5 percent or more, a second sample equal in size to the first must be drawn and verified in the same manner. The Number Invalid and Percent Invalid from the second sample must be entered in Lines 5 and 6. If the Percent Invalid in the second sample is 5 percent or more, corrective action must be initiated according to instructions in Chapter VII of the Handbook.

- (5.) Lines 7 - Name and Title of Responsible Official; 8. Signature, and 9. Date Signed. Print or type complete name of official reporting the verification results; Signature, sign your name legibly and enter the date (month, day, year) in which report was completed and signed.

## K. Paperwork Management

\*

### 1. Administrative/Processing Forms.

The following WOTC forms must be used without modification:

- ❖ IRS Form 8850, *"The Work Opportunity Tax Credit- Pre-Screening Notice and Certification Request."*
- ❖ ETA Form 9061, *"The Individual Characteristics, Work Opportunity Tax Credit."*

**Note.** See Chapter VII, Section A, item 2, p. VII-3 for exceptions related to use of this form.

- ❖ ETA Form 9062, *"Conditional Certification, Work Opportunity Tax Credit."*

States have the option of using or modifying the following forms:

- ❖ ETA Form 9063, *"Employer Certification, Work Opportunity Tax Credit;"*
- ❖ ETA Form 9065, *"Agency Declaration of Verification Results, Work Opportunity Tax Credit"*
- ❖ ETA Form 9057, *"Conditional Certifications by Target Group and Participating Agency, Work Opportunity Tax Credit - Summary Worksheet (for internal use only);"* and

- ❖ ETA Form 9059, “*Verification Results, Work Opportunity Tax Credit - Audit Summary Worksheet*” (for internal use only).

1. The appendices of the Program Handbook provide a suggested format designed to simplify the Conditional Certification and Certification processes. States may use the suggested form layout and design or may use one of their own, provided that the chosen form includes ALL the required information and satisfies the requirements of documentation as required.

\*2. Reporting.

The revised reporting and data collection requirements in this Addendum to the November 2002, Third Edition of ETA Handbook 408 (the Handbook) have been granted Emergency Approval by the Office of Management and Budget (OMB) according to the Paperwork Reduction Act of 1995. The OMB emergency approval number (OMB No. 1205-0371) is effective through April 30, 2008.

All reporting and processing forms, including all other program related materials and outreach tool, are currently under OMB review to extend the emergency expiration date through August 31, 2011. States, employers and their representatives, and Federal and state partners may continue to use all forms and program materials with an expired April 30, 2008 date. The Employment and Training Administration (ETA) will issue a Training Employment and Guidance Letter (TEGL) announcing the new expiration date and providing additional guidance to the states and all program partners as soon as OMB issues its Notice of Action.

\*APPENDIX I - Current Legislation

1. Tax Relief and Health Care Act of 2006 (P.L. 109-432);
2. Working Families Relief Act of 2004 (P.L. 108-311), Title XX, Sec. 303. "Work Opportunity Tax Credit" and Sec. 304. "Welfare-to-Work Tax Credit,"
3. Social Security Protection Act of 2004 (P.L. 108-203), March 2, 2004.
4. Ticket to Work and Work Incentives Improvement Act of 1999 (P.L. 106-170), Sec. 405.
5. Job Creation and Worker Assistance Act of 2002 (P.L. 107-147), Title VI., Secs. 604, "Work Opportunity Tax Credit," 605, "Welfare-to-Work Tax Credit," and 1400L, "New York Business Employee."
6. Community Renewal Tax Relief Act of 2000, (P.L. 106-554), December 31, 2001.
7. Tax and Trade Relief Extension Act of 1998, part of the Omnibus Consolidated and Emergency Supplemental Appropriations Act of 1999, P.L. 105-277, Sec.1002, "Work Opportunity Tax Credit" and Sec. 1003 Welfare-to-Work Tax Credit."
8. Conference Report to H.R. 4328, Making Omnibus Consolidated and Emergency Appropriations for Fiscal Year 1999.
9. Taxpayer Relief Act of 1997, P.L. 105-34, Title VI. Extensions, Sec. 603. "Work Opportunity Tax Credit" and Title VIII, Sec. 801. "Incentives for Employing Long-Term Family Assistance Recipients."
10. Small Business Job Protection Act of 1996, P.L. 104-188, Subtitle B -- Extension of Certain Expiring Provisions, Sec. 1201. "Work Opportunity Tax Credit."
11. Internal Revenue Code of 1986, Secs. 39(a), 51, 51A, 52 and 1400L, Subsection (a) only, as amended, 26 USC ' 51 and 51A.
12. United States Code Service, (Lawyers' Edition) Cumulative Supplement, 7 USCS, Agriculture, Secs. 1551-2200, May 1997.

APPENDIX II - WOTC/WtWTC Report Form (Required Report)

- \* 1. ETA Form 9058 - Report #1: "Certification Workload and Characteristics of Certified Individuals," Work Opportunity Tax Credit with Revised Instructions.

2. WOTC Tax Credit Reporting System (TCRS), March 2007, *Revised User's Guide*

\*APPENDIX III - WOTC/WtWTC Administrative/Processing Forms

1. ETA Form 9061 - *Individual Characteristics Form (ICF)*, Work Opportunity Tax Credit.
2. ETA Form 9062 - *Conditional Certification (CC)*, Work Opportunity Tax Credit.
3. ETA Form 9063 - *Employer Certification (EC)*, Work Opportunity Tax Credit. (OPTIONAL)
4. ETA Form 9065 - *Agency Declaration of Verification Results (ADVR)*, Work Opportunity Tax Credit (for internal use only).
5. ETA Form 9057 - *Summary Worksheet: "Conditional Certifications Issued,"* Work Opportunity Tax Credits (for internal use only);
6. ETA Form 9059 - *Audit Summary Worksheet: "Agency Declaration of Verification Results,"* Work Opportunity Tax Credits (for internal use only).

APPENDIX IV - IRS Forms/Publications

1. IRS Form 8850, "A Pre-Screening Notice and Certification Request for the Work Opportunity Tax Credit" and Instructions.
2. IRS Form 2848 and Instructions, "Power of Attorney and Declaration of Representative."
3. Announcement 2002-44, "Electronic Submission of Form 8850," [2002-17 I.R.B. 809], April 29, 2002.
4. Internal Revenue Service, "Revenue Procedure," 2002-3; 2002-1, IRB 117, January 7, 2002.
5. Internal Revenue Service, "Revenue Procedure," Section 15, Item 9: "Tax Credit Issues," page 34.
6. "28-Day Requirement for Submitting Form 8850 and Disaster Relief" IRS Memorandum, November 13, 2001.
7. IRS News Release, No. IR-2001-105, "IRS Expands Tax Relief got Those Affected by the Sept. 11<sup>th</sup> Attack," November 2, 2001.
8. IRS Bulletin No. 2001-40, October 1, 2001.



9. Notice 2001-61: 2001-47, Part III, IRB, "Disaster Relief for Taxpayers Affected by the September 11, 2001 Terrorist Attack," October 1, 2001.
10. Notice 2001-63: "Additional Relief for Taxpayers on Account of the September 11, 2001, Terrorist Attack," October 1, 2001.
11. Publication 954, "Tax Incentives for Empowerment Zones and other Distressed Communities," June 2001.
12. Notice 99-51, "Work Opportunity and Welfare-to-Work Tax Credits," [1999-40 I.R.B. 447], October 4, 1999.
13. IRS Bulletin - No. 1996-46, "Date of Birth, IRS Form 8850," November 12, 1996, Announcement 96-116, page 12.

\*APPENDIX V - Tools/Resources

1. "Ticket to Work Eligibility Under the Work Opportunity Tax Credit Program," TEGE No. 15-04, January 31, 2005.
2. "WOTC AND TICKET TO WORK TRAINING NOTICE FOR ENs, issued by MAXIMUS to Employment Networks," February 15, 2005.
3. TA and Compliance Review Guide, OMB No. 1205-1301, Revised June 2007.

\*APPENDIX VI - Miscellaneous

1. Memoranda to SWA/DLA Coordinators with Instructions for use of the updated Spanish Versions of IRS Form 8850 and ETA Form 9061.
2. Updated Spanish Version of IRS Form 8850.
3. Updated Spanish Version of ETA Form 9061.
4. Sample Letter to Be Sent to Employer (Notice of Invalidation (NOI) of Certification Work Opportunity and/or Welfare-to-Work Tax Credit(s).
5. Policy Resolution/Appeals Submission Suggested Format.

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# *APPENDICES*

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***APPENDIX I.***

***REPORT FORM***

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**Certification Workload and Characteristics of Certified Individuals  
Work Opportunity Tax Credit - Report No. 1**

**U.S. Department of Labor  
Employment and Training Administration**

State:	Quarter Ending:	Persons are not required to respond to this collection of information unless it displays a currently valid OM B control number. Respondents' obligation to reply to these reporting requirements is mandatory (P.L. 104-188). Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the U.S. Department of Labor, Division of Adult Services, Room S-4209, Washington, D.C. 20210 (Paperwork Reduction Project 1205-0371).	OMB No. 1205-0371 Expiration Date: 11/30/2011
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**PART I. CERTIFICATION WORKLOAD**

CERTIFICATION REQUESTS (System Inputs)				CERTIFICATION REQUESTS (System Outputs)			
A) Incomplete Requests	B) Requests Needing Action	C) New Requests	D) Total Requests to Be Processed	E) Certified Requests	F) Denied Requests	G) Incomplete Requests	H) Requests Needing Action

**PART II. CHARACTERISTICS OF CERTIFIED INDIVIDUALS**

I) By WOTC Target Group	(a) No. of CCs Resulting in Certifications	(b) No. WOTC Certified Individuals	J) By Occupation	(a) No WOTC. Certified Individuals	J) By Occupation (Cont.)	(a) No. WOTC Certified Individuals	K) By Starting Hourly Wage	(a) No. WOTC Certified Individuals
1. IV-A Recipient			Name-Code		Name-Code			
2a. Veteran			1. Management Occupations – 11		12. Protective Services – 33		1. Under Federal Minimum Wage	
2b. Disabled Veteran			2. Business & Financial Operations – 13		13. Food Preparation & Serving Related – 35		2. \$5.15 - \$5.99	
3. Ex-Felon			3. Computer & Mathematical – 15		14. Bldg. & Grounds Cleaning & Maintenance – 37		3. \$6.00 - \$6.99	
4. Designated Comm Res.			4. Healthcare Practitioner & Technical – 29		15. Personal Care & Service – 39		4. \$7.00 - \$7.99	
5. Voc. Rehab Ref.			5. Architecture & Engineering – 17		16. Sales & Related Occupations - 41		5. \$8.00 - \$8.99	
5a. Ticket Holder			6. Life, Physical & Social Sciences – 19		17. Office/Administrative Support - 43		6. \$9.00 – Higher	
6. Summer Youth			7. Community & Social Services – 21		18. Farming, Fishing & Forestry – 45		7. Total (for Qtr)	
7. Food Stamp			8. Legal Occupations – 23		19. Construction & Extraction – 47			
8. SSI Recipient			9 Education, Training, & Library – 25		20. Installation, Maintenance & Repair – 49			
9. Long –Term IV-A			10. Arts, Design, Entertainment, Sports/Media Occupations – 27		21. Production Occupations - 51			
10. TOTAL (for qtr)			11. Healthcare Support Occupations – 31		22. Transportation & Material Moving Production Occupations – 53			
11. Total (YTD)					23. Military Specific Occupations – 55			
25. Name of Responsible Official	25. Signature		27. Sate	24. Total (for qtr.)				

**Instructions for Preparing ETA Form 9058 "Certification Workload and Characteristics of Certified Individuals," Work Opportunity Tax Credit Report**

**Introduction.**

ETA Form 9058. Part I. of this report clarifies and simplifies data reported on certifications and indicates state workforce agencies' (SWAs) workload during each reporting quarter. Part II. continues to collect data on selected characteristics of individuals with tax credit certifications.

**Background.**

The purpose of ETA Form 9058 (Rev. May 2005) is to provide state workforce agencies (SWAs) with a standardized reporting format, which accurately reflects program activity levels and outcomes under the consolidated Work Opportunity Tax Credit (WOTC). It is important for SWAs to maintain programmatic reporting procedures that account for each tax request (IRS Form 8850) received and its subsequent outcome (issuance of a tax certification or a denial notification). A properly completed ETA Form 9058 accurately reflects program use and the level of any programmatic backlog that may exist. To ensure that the WOTC Program can be accurately evaluated at the national level, it is critical that all SWAs report in a standardized manner.

**INSTRUCTIONS FOR COMPLETING THIS FORM:**

**State.** Enter the name of the state submitting ETA Form 9058.

**Quarter Ending Period.** Enter ending date of the quarter for the reported program data.

**Part I. "Certification Workload."** SWAs must identify from Part I, Item F on the previous reporting quarter's ETA Form 9058 the number of requests (IRS Form 8850s) determined to be incomplete or Needing Action, as defined below:

(A) **Number of Requests Incomplete.** Enter the total number of requests (IRS Form 8850s) received by the SWA prior to the beginning of the current report period, but for which no applicant eligibility determination action (excluding the 48-hour review) was taken. This total is to be entered into Part I, Item (A) of ETA Form 9058.

(B) **Number of Requests Needing Action.** Enter the total number of requests (IRS Form 8850s) received by the SWA prior to the beginning of the current report, but for which no review and total is to be entered into Part I, Item (B) of recently revised ETA Form 9058.

(C) **New Requests.** Enter the total number of requests (IRS Form 8850s) received by the SWA during the current reporting quarter. Some states may have received requests (IRS Form 8880s) that were not previously recorded and/or reported on any prior quarterly report ETA 9058 for various reasons. It is Important for the SWA to report all requests (IRS Form 8850s) received. Therefore, any request received outside of the current reporting quarter, which has not previously been reported, should be included with the number of requests received during the current reporting period. That total should be entered as the number of "New Requests". This total is to be entered into Part I, Item (C) of ETA Form 9058.

(D) **Total Requests to Be Processed.** Enter the sum of Items A, B & C. This total represents the number of requests (IRS Form 8850s) received by the SWA, which are available to be processed. This total is to be entered under Part I, Item (D) of ETA Form 9058.

(E) **Requests Certified.** Enter the total number of WOTC certifications issued during the current report period.

(F) **Requests Denied.** Enter the total number of requests (IRS Form 8850s) denied by the SWA during the current report period.

**Note.** A denial is a request (IRS Form 8850) determined by the SWA to be ineligible for the WOTC.

(G) **Number of Requests Incomplete.** Enter the total number of requests (IRS Form 8850s) received and reviewed by the SWA, but which the SWA could neither approve nor deny due to such things as, but not limited to, the need for additional eligibility documentation for which the SWA has made a formal request to the employer, authorized tax consultant, or other third party entity, ETA Form 9061 not submitted, etc. **Note.** This number will also be entered in Part 1, Item A. of the subsequent quarterly report ETA Form 9058.

(H) **Number of Requests Needing Action.** Enter the number of requests (IRS Form 8850s) received by the SWA but for which no review and/or action has yet been taken to determine applicant eligibility.

**Note.** This value will also be entered in Part I, Item B. of the subsequent quarterly report ETA Form 9058. Part I, Item H is the sum of Item D, minus Item E, minus Item F, minus Item G.

#### **Part I. Completion Formula:**

**Items (A +B + C) =(D - E - F - G) = H**

#### **Part II. "Characteristics of Certified Individuals by Tax Credit." This part is divided into three sections (Section I, Section J, and Section K).**

Section I reflects the number of requests (IRS Form 8850s) certified by the SWA during the current report period **by WOTC target groups**. Section J reflects the number of requests (IRS Form 8850s) certified by the SWA during the current report period **by occupation**. Section K reflects the number of requests (IRS Form 8850s) certified by the SWA during the current report **by starting hourly wage**.

#### **Section I.**

**Section I, Column (a).** Enter the total number of certifications, by target group, issued by the SWA during the current report period, which resulted from the issuance of a conditional certification i.e., ETA Form 9062.

**Section I, Column (b).** Enter the total number of WOTC certifications issued by the SWA during the current report period, by target group.

**Section I, Line #5a.** Enter the total number of WOTC certifications issued by the SWA during the current report period, for "ticket holders." (e.g., SSI, SSDI, or Voc. Rehab).

**Section I, Line #10.** Enter the sums of columns (a), and (b). **Note.** The total of Section I, Line #10, columns (a) & (b) should equal the total entered in Part I. Item E. Requests Certified.

**Section I, Line #11.** Enter the cumulative federal program Year-to-Date (YTD) totals of columns (a) and (b). **Note.** The first quarterly report of the federal program year (October 01-December 31), the totals of Section I, Line #10, and Line #11 should be the same.

#### **Section J.**

**Section J, Column (a).** Enter the total number of WOTC Certifications issued by the SWA during the current report period, by occupation. **Note:** The total for Section J, Column (a), Line #24 is the sum of the column and must equal the total for Section I, Column (a) & (b) Line # 10.

The occupational data reported in boxes 1-23 are derived from the job titles reported on ETA Forms 9061 or 9062. To prepare this report, SWAs/DLAs must use, the O\*NET, new job families of occupations and their two-digit corresponding

codes as illustrated in the following table.

O*NET SOC JOB FAMILIES			
<u>Name</u>	<u>Code</u>	<u>Name</u>	<u>Code</u>
Management Occupations	11	Food Preparation & Serving Related	35
Business & Financial Operations	13	Bldg. & Grounds Cleaning & Maintenance	37
Computer & Mathematical Occupations	15	Personal Care & Service	39
Architecture & Engineering	17	Sales & Related Occupations	41
Life, Physical & Social Sciences	19	Office & Administrative Support	43
Community & Social Services	21	Farming, Fishing, & Forestry	45
Legal Occupations	23	Construction & Extraction	47
Education, Training, & Library	25	Installation, Maintenance & Repair	49
Arts, Design, Entertainment, Sports and Media Occupations	27	Production Occupations	51
Healthcare Practitioner & Technical	29	Transportation & Material Moving	53
Healthcare Support Occupations	31	Military Specific Occupations	55
Protective Service Occupations	33		

### **Section K**

**Section K, Column (a).** Enter the total number of WOTC certifications issued by the SWA/DLA during the current report period, by starting hourly wage. **Note.** The total for Section K, Column (a), Line #7 is the sum of the column and must equal the total for Section I, column (b), Line #10.

Convert as follows:

<u>Unit of Time</u>	<u>Calculated Hourly Wage</u>
Day	Amount divided by 8
Week	Amount divided by 40
Month	Amount divided by 172

**25. Name and Title of Responsible Official.** Enter the name and title of the authorized signatory official.

**26. Signature.** Enter the signature of the authorized signatory official.

**27. Date.** Enter the date of the authorized signatory official's signature.

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***APPENDIX II.***

***ADMINISTRATIVE/PROCESSING  
FORMS***

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*Appendix III.*

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***IRS FORMS/PUBLICATIONS***

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*Appendix IV.*

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***MISCELLANEOUS***

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