



## VOW TO HIRE HEROES ACT OF 2011

# WORK OPPORTUNITY TAX CREDITS (WOTC)

## HIRING VETERANS MAY EARN TAX CREDITS FOR YOUR BUSINESS

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to private-sector businesses and qualified non-profit organizations for hiring certain targeted groups, including Veterans, who have faced significant barriers to employment. The WOTC program enables the targeted employees to gradually move from economic dependency into self-sufficiency as they earn a steady income, while participating employers are able to reduce their federal income tax liability.

The VOW to Hire Heroes Act of 2011 extended and expanded the tax credit for hiring certain qualified Veterans. Through WOTC, for-profit employers may receive tax credits as high as \$9,600 per qualified Veteran or up to \$6,240 for qualified tax-exempt organizations. The amount of the credit will depend on a number of factors, such as:

- The length of the Veteran's unemployment before hire
- The number of hours the Veteran works
- The Veteran's first year of wages

The WOTC only applies to new employees and the qualified Veteran must start work on or after November 22, 2011 and before January 1, 2013. Before claiming WOTC on a federal tax return, employers must first apply for and receive certification from a State Workforce Agency that the new hire is a Veteran that meets the required qualifications.

To apply for the certification, employers must:

1. Complete IRS Form 8850, *Pre-Screening Notice and Certification Request for the Work Opportunity Credit*, by the date of the job offer
2. Complete one of the following U.S. Department of Labor forms:
  - ETA Form 9061, *Individual Characteristics Form*; or
  - ETA Form 9062, *Conditional Certification Form* (if provided to the job seeker by a Participating Agency, such as Vocational Rehabilitation, an Employment Network, or a State Workforce Agency).
3. Submit the forms to the State Workforce Agency within the following timeframes:
  - For hires made before May 22, 2012, employers have until June 19, 2012 to submit.
  - For hires made on or after May 22, 2012, employers must submit not later than 28 days after the new hire begins work.

To access these forms and find more information on the WOTC program, how to claim the tax credit, and a list of state contacts, visit the Department of Labor's WOTC program website at [www.doleta.gov/wotc](http://www.doleta.gov/wotc) and the IRS website at [www.irs.gov/form8850](http://www.irs.gov/form8850). You should also visit [www.benefits.va.gov/VOW](http://www.benefits.va.gov/VOW) for additional information related to VOW.

