



HOW TO APPLY...

Employers must:

- Complete IRS Form 8850, **Pre-Screening Notice and Certification Request for the Work Opportunity Tax Credit**.
- Complete ETA Form 9061, **Individual Characteristics Form**.
- Mail the signed and dated IRS Form 8850 and ETA form 9061 **no later than 28 calendar days after** the new hire begins work to:

Idaho Department of Labor
 WOTC Unit
 317 W. Main St.
 Boise, ID 83735

The Idaho Department of Labor will notify the employer if the hiring situation DOES or DOES NOT qualify for the credit.

For more information on where to apply or receive these forms, visit our Web site at <http://labor.idaho.gov>

U.S. Department of Labor at <http://www.doleta.gov/business/Incentives/optax>

Internal Revenue Service at <http://www.irs.gov>

labor.idaho.gov

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Work Opportunity Tax Credit

**A Great Opportunity
 for Employers**

Some Employees Do Not Qualify for the Tax Credit

- An employer's relatives or dependents
- Majority owners of the employer
- Former employees

The Bottom Line

- Employers make the hiring decision.
- There is no limit to the number of individuals an employer can hire who qualify for the tax savings.
- There is minimal paperwork to claim the tax credit.

IDAHO
 DEPARTMENT OF LABOR
 C.L. "BUTCH" OTTER, GOVERNOR
 ROGER B. MADSEN, DIRECTOR

The Work Opportunity Tax Credit is an incentive for private businesses to hire individuals who have consistently faced significant barriers to employment. This initiative is targeted at people in 12 specific groups to help them gradually move from economic dependency to self-sufficiency while earning a steady income and become contributing taxpayers. Participating employers are compensated with a federal tax credit. And this program requires little paperwork.

Hire From Among These 12 Groups

- 1. Long-Term Temporary Assistance for Needy Families Recipient** – Member of a family that has received TANF payments for at least 18 consecutive months ending on the hiring date; **OR** has received TANF payments for any 18 month-period since Aug. 5, 1997, and the earliest 18 month-period ended during the two years prior to the hiring date, **OR** whose family within the two years prior to hiring became no longer eligible for TANF payments because federal or state law limited the maximum time those payments could be made.
- 2. Other Temporary Assistance for Needy Families Recipient** – Member of a family that received TANF payments for any nine months during the 18 months ending on the hiring date.
- 3. Veteran** – Former military member whose family received Supplemental Nutrition Assistance Program benefits - food stamps - for at least three months during the 15 months ending on the hiring date, **OR** a veteran entitled to compensation for a service-connected disability hired within one year of discharge from active duty or unemployed for at least six of the 12 months ending on the hiring date.
- 4. 18 to 39-Year-Old Food Stamps Recipient** – Member of a family that received food stamps for either six months ending on the hiring date or for at least three of the five months ending on the hiring date in the case of a family member who ceased to be eligible for such assistance under Section 6(o) of the Food Stamp Act of 1977.

5. 18 to 39-Year-Old Designated Community Resident – An individual who lives in an area designated as an Empowerment Zone, Renewal Community or Rural Renewal County. *Idaho does not have any Empowerment Zones or Renewal Communities.*

6. 16 to 17-Year-Old Summer Youth – An individual who works for the employer between May 1 and Sept. 15 and lives in an Empowerment Zone or Renewal Community. *Idaho does not have any Empowerment Zones or Renewal Communities.*

7. Vocational Rehabilitation Referral – A disabled person referred to the employer who has completed or is receiving rehabilitation services approved by the state, the Ticket-to-Work Program or the U.S. Department of Veteran Affairs.

8. Ex-Felon – An individual convicted of a felony and hired within one year after date of the conviction, or within one year of release from prison, or at the time of hire in a felony work release program.

9. Supplemental Security Income Recipient – An individual who received Supplemental Security Income benefits for any month ending during the 60 days ending on the hiring date.

10. Hurricane Katrina Employee – State certification does not apply to this group.

11. Unemployed Veteran – Any individual certified as discharged or released from active duty at any time during the five years ending on the hiring date and who has received unemployment compensation under state or federal law for not less than four weeks during the year ending on the hiring date.

12. Disconnected Youth – An individual certified as: being between 16 and 25 years old on the hiring date, not regularly attending any secondary, technical or postsecondary school during the six months preceding the hiring date, not regularly employed during the six months prior to the hiring date and lacking sufficient skills to be readily employable. An additional form – ETA Form 9154 Youth Self Attestation – must be filled out for this group.



How To Figure The Work Opportunity Tax Credit...

Target Groups ¹	% Credit & Retention Period	Maximum Credit
All Adult Groups/Vets	25% - must work at least 120 hours	\$1,500
All Adult Groups/Vets	40% - if work 400 hours or more	\$2,400
Disabled Vets ²	25% - if work at least 120 hours	\$3,000
Disabled Vets	40% - if work 400 hours or more	\$4,800
Long-Term TANF ³ Recipient	Two-year combined period	\$9,000

¹ Qualified first-year wages are capped at \$6,000 for all adult target groups including veterans.

² The cap on qualified first-year wages for disabled veterans was increased from \$6,000 to \$12,000, resulting in a bigger tax credit.

³ Employers hiring from this group receive a two-year credit for each new hire. It has different wages and credit percentages.