

Work Opportunity Tax Credit

Work Opportunity Tax Credits are intended to help people from specific target groups gain the work skills necessary for obtaining and retaining a quality job through on-the-job experience. This not only benefits employers, but also increases economic growth and employee productivity.

What is the Work Opportunity Tax Credit?

The Work Opportunity Tax Credit is available to employers for new hires from specific target groups who have employment barriers.

- Easy application process.
- Full-time, part-time and temporary employees make your business eligible for the tax credit.
- Employees must not have been previously employed by employer.

The consolidated Work Opportunity Tax Credit for hiring most target group members can be as much as:

- \$2,400 for each new adult hire.
- \$9,000 for each new long-term family assistance recipient hired over a two-year period.

Target Groups

- A member of a family that is receiving or recently received [Temporary Assistance to Needy Families](#) for at least 18 consecutive months ending on the hiring date.
- A member of a family that is receiving or recently received Temporary Assistance to Needy Families benefits for any 9-month period during the 18-month period ending on the hiring date.
- An 18-39 year old member of a family that is receiving or recently received [food stamps](#).
- A veteran who is a member of a family that is receiving or recently received [food stamps](#).
- A Vocational Rehabilitation referral who completed or is completing rehabilitative services from a state certified agency, an employment network, or the [U.S. Department of Veterans Affairs](#).
- An ex-felon who has a hiring date which is not more than one year after the last date she/he was convicted or released from prison; and/or
- A recipient of [Supplemental Security Income](#) benefits.

How Do Employers Apply for the Tax Credit?

- Include the front page of IRS form 8850, Work Opportunity Credit Pre-Screening Notice and Certification Request, in the **employee job application packet** so the applicant can indicate if he/she might be a candidate for the credit.
- Interview the job applicant using his/her statements as a screening tool for tax credit eligibility prior to making a job offer.
- Complete the back page of Form 8850 along with IRS Form 9061, Individual Characteristic Form. Make sure the forms are completely filled out and submit the entire package to the Work Opportunity Tax Credit Coordinator at the Idaho Department of Labor (see address below).

These documents must be mailed and/or post-marked no later than the 28th calendar day after the employee's first day of work.

Forms are available from all local Department of Labor offices or by contacting the agency's central office at:

**WOTC Unit
Idaho Department of Labor
317 W. Main St.
Boise, ID 83735-0790
(208) 332-3570, ext. 3318
wotc@labor.idaho.gov**

Forms and information are also available online:
<http://labor.idaho.gov/DNN/Businesses/EmployerTaxCredits/tabid/644/Default.aspx>



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Dial 711 for TTY Idaho Relay Service.