

1. Complete the one page, two-sided IRS Form 8850, "Pre-Screening Notice and Certification Request for the Work Opportunity and Tax Credits," by the date of the job offer.
2. Complete the one page U.S. Department of Labor ETA Form 9061, "Individual Characteristics Form," and submit the required supporting documentation for the target group requested, as defined on the back of the ETA 9061.
3. Mail the signed and dated IRS and ETA forms no later than 28 calendar days after the new hire's employment start-to-work date to:

*The Ohio Department of Job and Family Services  
Workforce Development, Labor Exchange,  
Tax Credits  
WOTC Section  
P.O. Box 1618  
Columbus, Ohio 43216-1618*

To obtain the IRS Form 8850 along with instructions for completion, please visit the IRS website at: [www.irs.ustreas.gov/](http://www.irs.ustreas.gov/)  
To obtain the ETA Form 9061, a brochure and directories of the state and regional coordinators, access the Department of Labor website at: [www.doleta.gov/business/incentives/opp/tax](http://www.doleta.gov/business/incentives/opp/tax)

### **Who Doesn't Qualify**

- No tax credit can be claimed for wages paid to relatives.
- No tax credit can be claimed for federally subsidized on-the-job-training. However, wages paid after the subsidy expires can qualify for the credits.
- Any person who was employed by the employer at any time during which he/she was not a member of a targeted group.

### **For Additional Information**

Employers may contact ODJFS WOTC Operations at (614) 644-0966, by e-mail at [wotc\\_contact@odjfs.state.oh.us](mailto:wotc_contact@odjfs.state.oh.us) or website [jfs.ohio.gov/wotc](http://jfs.ohio.gov/wotc)

Ohio One Stop Centers may access program information at: [www.ohioworkforce.org](http://www.ohioworkforce.org)

### **Local Contact Information**

For assistance in submitting WOTC tax credit requests:  
Phone: (614) 644-0966  
Fax: (614) 644-7102

### **Tax Information**

For tax related questions contact:  
The Internal Revenue Service at (202) 622-6080

### **Other Contact Information**

#### **Border State WOTC Coordinators:**

#### **Indiana**

Marilyn Knoy  
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#### **Kentucky**

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#### **Michigan**

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#### **Pennsylvania**

Barbara Zullinger  
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### **West Virginia**

Janie Clayton Woodson  
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E-mail: [JWoodson@workforcewv.org](mailto:JWoodson@workforcewv.org)

Ted Strickland, Governor  
Helen E. Jones-Kelley, Director

Ohio Department of Job and Family Services  
JFS 08152 Rev 12/2007

An Equal Opportunity Employer and Service Provider

# EMPLOYER TAX CREDITS

## Work Opportunity Tax Credit



[jfs.ohio.gov/wotc](http://jfs.ohio.gov/wotc)

## *The Work Opportunity Tax Credit (WOTC)*

- Employers make the hiring decision
- There is no limit to the number of new hires who can qualify an employer for the tax savings
- Minimal paperwork is needed to claim the tax credits

On December 20, 2006 the President signed into law the Tax Relief and Health Care Act of 2006. This legislation not only extended the WOTC Program (retroactively to January 1, 2006) through December 31, 2007, but also merged the Welfare-to-Work Tax Credit (WtWTC) into WOTC and repealed permanently Sections 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.

Section 105 of the Act repeals IRC Section 51A by merging the WtWTC into the WOTC and creating a new WOTC target group I, entitled “Long-term family assistance recipient.” The new target group retains the statutory definition and the more generous tax credit provisions over a two-year period of the former WtWTC. With respect to this target group only:

- First-year WOTC is increased from 35 to 40 percent of qualified first-year wages, which are 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. Therefore, wages no longer include certain amounts excludable from the recipient’s gross income.
- The minimum employment or retention period is calculated in the same manner as for the WOTC. Therefore, the 180 days of service formerly required for certified WtWTC 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).”

## *Changes Effective May 26, 2007*

- The WOTC Program was extended through August 31, 2011.
- A new subgroup was established under the Qualified Veteran Target Group for Disabled Veterans with a tax credit eligibility of up to \$4800.00.
- The maximum qualified first year wages for Disabled Veterans was set at \$12,000.00.
- The High Risk Youth Target Group was renamed “Designated Community Residents (DCRs)”.
- The EZ/EC/RC Target Group was amended to EZ, RC or Rural Renewal County (RRC).
- The Statutory Definition of “Individuals Under an IWP” was clarified as it related to Vocational Rehabilitation Referrals

## *Hire From Among These Nine Groups of Job Seekers*

**1. IV-A Recipient** — member of a family receiving Temporary Assistance for Needy Families (TANF) for any nine of the 18 months ending on the hire date.

**2. Long-Term Family Assistance Recipient** — member of a family that received Temporary Assistance for Needy Families (TANF) for at least 18 consecutive months ending on the hire date or whose family received TANF for at least 18 months after August 5, 1997 or whose TANF eligibility expired under a federal or state law after August 5, 1997.

**3. 18-40 Year Old Food Stamp Recipient** — member of a family that received food stamps for at least the last six months ending on the hire date or for at least three of the five month period ending on the hiring date in the case of a family member who ceases to be eligible for such public assistance.

**4. Veteran** — Served on active duty in the Armed Forces for a period of more than 180 day, and members of a family receiving Food Stamps for at least a 3 month period within the last 15 months, ending on the hire date; or Entitled to compensation for a service-connected disability, and having a hiring date which is not more than 1 year after having been discharged or released from active duty in the Armed Forces of the United States; or Having aggregate periods of unemployment during the 1-year period ending on the hiring date which equal or exceed 6 months.

**5. Designated Community Residents (DCRs)** — Age 18, but not yet age 40 on the hire date, and living in a federally designated EZ, RC or Rural Renewal County (Crawford, Monroe, Paulding, Seneca and Van Wert Counties).

**6. Summer Youth Employee** — Age 16 but not yet 18 on the hire date. Performs a service for the employer between May 1 and September 15 and “Principal place of abode” is within an Empowerment Zone or Renewal Community.

**7. Vocational Rehabilitation Referral** — An individual who has a physical or mental disability resulting in a handicap to employment, and referred to employer upon completion of, or while receiving, services under a state plan for vocational rehabilitation services; or a “ticket holder” under the Ticket to Work Program who has an Individual Work Plan (IWP) developed and implemented by an Employment Network (EN) pursuant to subsection (g) of section 1148 of the SSA with respect to which the requirements of such subsection are met.

**8. Ex-felon** — individual convicted of a felony and hired within one year of conviction date or release from prison.

**9. SSI Recipient** — received Supplemental Security Income benefits for any month within the 60 day period ending on the date of hire.

\* For information about Empowerment Zones, visit the following website:

<http://egis.hud.gov> or call 1-800-998-9999. The website for the Lower Living Standard is: [www.doleta.gov/llsil](http://www.doleta.gov/llsil)

## *Three Simple Steps to Certification*

Employers must apply for and receive certification from the Ohio Department of Job and Family Services (ODJFS) that their new hire is a member of one of the WOTC target groups before they can claim the Work Opportunity or Tax Credits on their federal tax return. To apply for certification, employers must: