

What is WOTC?

The Work Opportunity Tax Credit (WOTC) is a Federal tax credit available to private and for-profit employers who hire individuals from specified target populations. Certain tax-exempt organizations may qualify by hiring from the veteran target group.

WOTC reduces a business's federal tax liability or payroll taxes, serving as an incentive to select job candidates who have barriers to employment.

Taking advantage of WOTC

Each year, U.S. employers claim more than \$1 billion in tax credits under the WOTC program. This Federal tax credit is beneficial for all participants, serving as an incentive to select job candidates who may be disadvantaged in their efforts to find employment. These tax credits:

- **Reduce** an employer's cost of doing business
- **Decrease** an employer's federal income tax liability
- **Have no limit** on the number of qualifying new hires eligible for the tax credit
- **Aide** targeted populations in gaining employment

Visit us online:
texasworkforce.org/WOTC
or contact

Texas Workforce Commission
Call: 800-695-6879
Email: wotc@twc.state.tx.us

Texas Workforce Commission
101 East 15th Street
Austin, Texas 78778-0001
512-463-2222

Equal Opportunity Employer/Program
Auxiliary aids and services are available upon request to individuals with disabilities
Relay Texas: 800-735-2989 (TTY)
and 711 Voice

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TEXAS WORKFORCE
COMMISSION

Work Opportunity Tax Credit



How much is the WOTC tax credit?

Employers can earn a tax credit ranging from \$1,200 to \$9,600 per eligible employee hired, depending on the target group of the new employee and the number of hours worked in the first year.

Which hires qualify employers for WOTC?

Non-Veteran Target Groups

- Ex-felons
- Residents of empowerment zones or rural renewal counties
- Summer Youth living in Empowerment Zones
- Supplemental Nutritional Assistance Program (SNAP) benefit recipients
- Supplemental Security Income recipients
- Temporary Assistance for Needy Families (TANF) recipients
- Vocational rehabilitation referrals
- Long Term Family Assistance recipients
- ***NEW GROUP** Long term unemployed recipients

Veteran Target Groups

- Veterans receiving SNAP benefits
- Disabled veterans
- Unemployed veterans

How can TWC help an employer with WOTC?

TWC helps employers identify tax savings by certifying that newly hired workers qualify for the benefit.

What does WOTC do?

WOTC helps targeted workers move from economic dependency into self-sufficiency as they earn a steady income and become contributing taxpayers, while participating employers are able to reduce their income tax liability.

For more information, including specific qualifications for each target group and how to calculate the tax credit, visit our web page at texasworkforce.org/WOTC



How to apply for the credit

- Hire individuals from one or more of the identified target groups. You don't have to know what group your new-hire falls into, verification of eligibility will be done by TWC.
- Within each qualifying population there are additional requirements for WOTC eligibility. Former employees, majority business owners and their relatives or dependents will not qualify an employer for the tax credit.
- Complete IRS Form 8850 (Prescreening Notice and Certification Request) and ETA Form 9061 (Individual Characteristics Form).
- Or complete IRS Form 8850 and ETA Form 9062 (Conditional Certification Form) provided to the job seeker by TWC or a participating agency.

Mail, Fax or Email the two forms to:

Texas Workforce Commission
WOTC Unit
101 E. 15th St, Rm 202T
Austin, TX 78778-0001
Fax: (512) 463-8819
Email: wotc@twc.state.tx.us

Forms must be postmarked within 28 days of the employee's start date. Forms and instructions are available for download on the TWC website at texasworkforce.org/WOTC