

Capturing the benefits of the WORK OPPORTUNITY TAX CREDIT

Interested in hiring someone who qualifies for the Work Opportunity Tax Credit (WOTC)? Here is a brief introduction to the steps you'll take to receive your Federal tax credit:

Why Use the WOTC?

To support successful reentry, formerly incarcerated people need to work although hiring a formerly incarcerated person may feel like a risk.

Realizing the benefits of the Work Opportunity Tax Credit, especially when used in conjunction with the Federal Fidelity Bonding Program, can support you in taking that risk and investing in the future.

The WOTC is a special tax credit available for hiring former felons (and veterans and other groups) and must occur within one year of their release date.

Here are a few facts about the **WOTC** tax credit:

- ▶ Employers can save as much as \$2,400 in taxes.
- ▶ Applies to the first year of employment.
- ▶ The new employee must work 120 hours for the employer to begin to receive credit.

Which Companies Can Benefit?

The **WOTC** tax credit is available to any size business; from small organizations to national corporations. The credit is also available for any type of job. The work can be full-time, part-time, temporary, or seasonal.

EXCEPTIONS:

- ▶ Not for independent contractor work.
- ▶ Not for an employer you worked for in the past, no matter how long ago.
- ▶ Not for a business owned by a close relative.

To find out more: <http://www.irs.gov/Businesses/Small-Businesses-&-Self-Employed/Expanded-Work-Opportunity-Tax-Credit-Available-for-Hiring-Qualified-Veterans>

Or call: 1-800-829-4933