

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) provides tax relief to employers who hire full-time, part-time or temporary employees from specifically targeted groups that have employment barriers. The WOTC can reduce an employer's federal income tax liability by as much as \$2,400 per qualified new worker in the first year of employment, while giving job seekers in the targeted groups a better chance of finding employment.

Employers who hire eligible disabled veterans can save up to \$4,800 in the first year of employment, and eligible long-term cash assistance recipients can save the employer up to \$9,000 over a two-year period.

Targeted groups include:

- cash assistance recipients
- veterans receiving food stamps
- disabled veterans with a service-connected disability
- 18-to-39-year-old recipients receiving food stamps
- 18-to-39-year-old residents living in a rural renewal county
- vocational rehabilitation referrals
- ex-felons
- SSI recipients

The employer determines whether an eligible job candidate meets job qualifications and makes all hiring decisions. There are no restrictions on the number of eligible job candidates an employer can hire, and minimal paperwork is required to claim the tax credit.

For more information, please contact:

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