

# Work Opportunity Tax Credit

## How the Tax Credit Works

If you are a "for-profit" employer in Massachusetts, you may be eligible for a federal tax credit through the Work Opportunity Tax Credit program. Individuals must be identified as members of one of these targeted groups before a job offer is made.

The Work Opportunity Tax Credit (WOTC) program has two purposes:

- To help individuals who qualify as members of a target group to get a job, and
- To help employers who hire qualified individuals by giving them a credit on their federal taxes.

## Target Groups

A veteran\* who is:

- A member of a family that received SNAP benefits (food stamps) for at least a 3-month period during the 15-month period ending on the hiring date.
- Entitled to compensation for a service-connected disability
- Hired within 1 year of discharge or release from active duty
- Unemployed at least 6 months in the year ending on the hiring date
- Unemployed:
  - At least 4 weeks
  - At least 6 months

\*Please note that to be considered a veteran eligible for WOTC, an individual must meet these two standards:

- Have served on active duty (not including training) in the U.S. Armed Forces for more than 180 days or have been discharged or released from active duty for a service-connected disability
- Not have a period of active duty (not including training) of more than 90 days that ended during the 60-day period ending on the hiring date
- Long-term Temporary Assistance for Needy Families (TANF) Recipient
- Short-term TANF Recipient
- SNAP (food stamp) Recipient
- Designated Community Resident: An 18-39 year old who lives within one of the federally designated Rural Renewal Counties or Empowerment Zones\*\*
- Vocational Rehabilitation Referral
- Recently released Ex-felon
- Supplemental Security Income (SSI) recipient
- A 16 or 17 year old Summer Youth Employee and lives in an Empowerment Zone (see DOL's website for additional information)

## Amount of the Credit

Target Group	Maximum Tax Credit	Target Group	Maximum Tax Credit
<b>Veteran Target Group</b>		Short-Term TANF Recipient	\$2,400
Receives SNAP (food stamps) benefits	\$2,400	Long-Term TANF Recipient	\$9,000 (over 2 yrs)
<b>Entitled to compensation for service-connected disability</b>		SNAP (food stamp) Recipient	\$2,400
Hired one year from leaving service	\$4,800	Designated Community Resident	\$2,400
Unemployed at least 6 months	\$9,600	Vocational Rehabilitation Referral	\$2,400
<b>Unemployed</b>		Ex-Felon	\$2,400
At least 4 weeks	\$2,400	SSI Recipient	\$2,400
At least 6 months	\$5,600	Summer Youth	\$1,200

## Application Process

The first step is pre-screening to determine eligibility. The jobseeker and the employer must complete the following forms:

- Individual Characteristics Form Work Opportunity Tax Credits ETA 9061 or ETA 9062
- Pre-Screening Notice and Certification Request for Work Opportunity Credit, IRS Form 8850
- The employer and the jobseeker must sign the Form 8850. The employer then sends the forms to the Department of Career Services postmarked no later than the 28th day after the jobseeker begins work.

\*\*For additional Information please go to: <http://doleta.gov/business/incentives/opptax/>

Mail the Form 8850 with the ETA 9061 or ETA 9062 attached to: Department of Career Services, Work Opportunity Tax Credit Unit, 19 Staniford Street, Boston, MA 02114  
Telephone: 617-626-5353

Last updated: March, 2013