



## Work Opportunity Tax Credit

## FACT SHEET

The Work Opportunity Tax Credit (WOTC) is a tax incentive for employers to hire certain job seekers. The goal is to help these individuals become economically self-sufficient and to reward employers who give them a chance.

### Note:

The WOTC program has been approved through Dec. 31, 2019. Employers or their representatives must submit applications through our online filing system within 28 days of the job start date.

**Employers can get tax breaks for hiring ex-felons, some veterans, people with disabilities and those on public assistance.**

### Worker eligibility

The following general categories of workers qualify for the tax credit. See the Eligibility at [esd.wa.gov/about-employees/WOTC/eligibility](http://esd.wa.gov/about-employees/WOTC/eligibility) for more information.

- Public assistance recipients, if they meet the eligibility requirements for SNAP (food stamps), TANF or long-term TANF.
- Several categories of military veterans.
- Ex-felons hired within a year after their date of conviction, work release, or release from prison or jail.
- People with disabilities participating in state or federal vocational-rehabilitation programs who've had an "individual written plan" for employment in the two years before being hired.
- Anyone who received Supplemental Security Income (SSI) for any month in the 60 days before being hired.
- Long-term unemployed individuals hired on or after Jan. 1, 2016 (must have been unemployed at least 27 consecutive weeks).



## Application forms

Find IRS forms 8850 and 9061 on Employment Security's website at [esd.wa.gov/WOTC](http://esd.wa.gov/WOTC) or on the U.S. Department of Labor's website. Search DOL WOTC.

## What employers get

Employers can reduce their federal business taxes by up to \$2,400 for most eligible hires; and up to \$9,000 over two years for each qualifying TANF recipient who is hired. The tax credit for veteran categories range from \$2,400 to \$9,600.

## Employment Security's role

The Employment Security Department is responsible for processing WOTC applications. The department determines the eligibility of every hired individual and completes all certifications within federal guidelines.

## WOTC results

More than 83,000 applications were submitted through our online filing system in 2017, of which 38,000 applications were certified. Together, they represented a potential tax savings of \$115 million for Washington employers.

## Online filing is easy

Employers must submit WOTC applications electronically through the department's online filing system, as explained on the agency website at [esd.wa.gov/about-employees/WOTC/instructions](http://esd.wa.gov/about-employees/WOTC/instructions).

The online system was redesigned in 2017 and now allows users to:

- Upload documents that verify eligibility.
- Save their work and return later.
- Print many certifications at once.

