



WORK OPPORTUNITY TAX CREDIT

Hiring Incentive for Employers

WHAT IS THE WOTC TAX CREDIT?

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers who hire individuals from specified target populations. Certain tax-exempt organizations may also qualify by hiring from qualifying target groups.

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

HOW DOES WOTC WORK?

1. Complete two forms:
 - a. IRS Form 8850
 - b. ETA Form 9061 or ETA Form 9062
2. Provide the forms to the Department of Workforce Development electronically in eWOTC or via mail **within 28 days of the job start date.**
3. Receive confirmation/certification from DWD if your employee is an eligible member of a target group. You will also be notified if your employee is not eligible.
4. File the certification from DWD and IRS Form 5884 when filing your Business Federal Income Tax Forms.

Visit dwd.wisconsin.gov/jobservice/taxcredit for in-depth steps and links to forms.

The employer's tax credit amount varies depending on the target group of the eligible employee. These groups are listed to the right.

An employer is only eligible for tax credit on qualified wages paid to members of a target group.

HOW MUCH THE EMPLOYER WILL SAVE?

Up to **\$9,600**
available per qualifying new hire

WHICH NEW HIRE QUALIFIES?

- TANF Recipients
- Qualified Veterans
- Ex-Felons
- Vocational Rehabilitation Referrals
- Food Stamp Recipients
- Supplemental Security Income Recipients
- Long-Term Family Assistance Recipients
- Long-Term Unemployed Recipients

WHY COMMIT?

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

RECRUITMENT

a tool for hiring

WOTC . . . WHAT'S IN IT FOR EMPLOYERS?

- The employer makes the hiring decision
- Hire qualified individuals
- Up to \$12,000 in potential tax credits per new hire
- Reduce recruitment and training costs
- Unused tax credits carry up to 20 years
- No restrictions on number of qualified hires
- Credits are applied to taxes due
- Builds staff diversity

CONTACT US

Visit the WOTC website:
dwd.wisconsin.gov/jobservice/taxcredit

Contact: 888-258-9966 (toll free)

email: DETWOTC@dwd.wi.gov

For more inclusive details on laws and regulations governing the WOTC Program, visit the U.S. Dept. of Labor website at:
doleta.gov/business/incentives/opptax

For WOTC IRS tax law questions, call
202-622-6080



DWD is an equal opportunity employer and service provider. If you have a disability and need assistance with this information, please dial 7-1-1 for Wisconsin Relay Service. Please contact the Division of Employment and Training at 888-258-9966 and press 6 to request information in an alternate format, including translated to another language.

A proud partner of the [AmericanJobCenter](#)® network

