

# Work Opportunity Tax Credit

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**Employers can get tax breaks for hiring veterans, felons, people with disabilities and people on public assistance**

**Up to \$9,600 in tax breaks per new hire**

**In 2013, employers earned \$82M in tax breaks for hiring nearly 31,000 eligible workers**

The Work Opportunity Tax Credit (WOTC) is a tax incentive for employers to hire certain hard-to-place 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 expired Dec. 31, 2013. Employment Security will continue to accept applications for all workers during the hiatus and will automatically approve them if Congress reauthorizes the program retroactively.

## Worker eligibility

The following general categories of workers qualify for the tax credit. Contact Employment Security's WOTC staff for more information.

- Several categories of people who are on public assistance or who received it within the 18 months before being hired.
- Several categories of needy or disabled military veterans.
- Felons hired within a year after leaving prison, and those participating in work release.
- Disabled people participating in state or federal vocational rehabilitation programs who've had an "individual written plan" for employment in the two years before being hired.
- Adults under age 40 who received food stamps in the six months before being hired.
- Anyone who received Supplemental Security Income (SSI) for any month in the 60 days before being hired.

## What employers get

Employers can reduce their federal business taxes by up to \$2,400 for most eligible hires; up to \$9,000 over two years for each qualifying welfare recipient who is hired; and up to \$5,600 for most military veterans; and as much as \$9,600 for hiring veterans who have a service-related disability.

## Employment Security's role

The Employment Security Department is responsible for processing employers' applications for the tax credit. The department reviews businesses' applications to determine the eligibility of every hired individual and to complete all certifications within federal guidelines.

The department received more than 56,000 applications from 2,632 businesses in 2013 and approved 30,744 of them. Together, they represented a maximum tax savings of \$82.2 million for Washington employers.

**Online filing  
speeds up  
application  
process****Online filing is easy**

Employers must submit WOTC applications electronically through the department's online filing system at [www.esd.wa.gov/wotc](http://www.esd.wa.gov/wotc).

The online system speeds up the application process and offers new features, such as the ability to correct errors in an application and monitor its status.

Employment Security also operates a special help line (800-339-3981) to answer employers' questions.

**Funding**

For the October 2012–September 2013 fiscal year, Employment Security received \$430,000 in federal funds for administering the WOTC program.

**Contacts**

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