



HELP PUT AMERICA TO WORK AND EARN FEDERAL INCOME TAX CREDITS FOR HIRING VETERANS

WHAT IS THE WORK OPPORTUNITY TAX CREDIT?

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers who hire veterans and individuals from other eligible target groups with significant barriers to employment. Each year, employers claim over \$1 billion in tax credits under the WOTC program. The success and growth of this income tax credit for business is beneficial for all who participate, while increasing America's economic growth and productivity.

WHO IS ELIGIBLE?

A veteran who has a service-connected disability, is unemployed, or is receiving SNAP (food stamp) benefits.

VETERAN TARGET GROUP

MAXIMUM TAX CREDIT

Receives SNAP (food stamps) benefits \$2,400

Entitled to compensation for service-connected disability:

• Hired within 1 year of discharge or release from active duty \$4,800
• Unemployed at least 6 months in the year ending on the hiring date \$9,600

Unemployed

• At least 4 weeks \$2,400
• At least 6 months \$5,600

HOW WOTC WORKS FOR YOU

- **WOTC reduces an employer's cost** of doing business, requires little paperwork, and applying for WOTC is simple.
- WOTC can **reduce an employer's federal income tax liability** by as much as \$9,600 per veteran hired.
- **There is no limit** on the number of individuals an employer can hire to qualify to claim the tax credit.
- Certain **tax-exempt organizations can take advantage of WOTC** by receiving a credit against the employer's share of Social Security taxes.

Veterans are excellent job candidates as they are experienced and possess many desirable characteristics such as

- The ability to rapidly adapt and adopt new skills.
- A strong sense of personal integrity and accountability.
- Training in many occupational skills that can be invaluable in today's labor market.¹

Employees must work at least 120 hours in the first year of employment to receive the tax credit.

¹See www.americasheroesatwork.gov for more reasons to hire America's veterans.

HOW MUCH IS THE TAX CREDIT?

Employers can earn a tax credit of between \$1,200 and \$9,600 per employee, depending on the target group of the new employee and the number of hours worked in the first year. Employees must work at least 120 hours in the first year of employment to receive the tax credit. Visit <http://www.doleta.gov/wotc> for the maximum tax credit for each WOTC target group.

HOW TO APPLY

Applications and supporting documentation for the tax credit will be accepted through the Arkansas WOTC web-based system using the links below.

Employers: https://ar.wotc-web.net/wa_login_emp.html

Consultants: https://ar.wotc-web.net/wa_login_consult.html

The WOTC unit will make a final determination. The determination will indicate whether the employee is certified as meeting the eligibility for one of the WOTC target groups.

After the target group employee is certified, employers can file for the tax credit with the Internal Revenue Service.

INFORMATION AND RESOURCES

For additional information, call 1-866-330-9459 or (501) 683-1354.

The WOTC unit also can be contacted at ADWS.WOTC@arkansas.gov.

Visit the IRS website at www.irs.gov for more information.



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