

Work Opportunity Tax Credit

How the Tax Credit Works

Massachusetts employers who are “for profit”, may be eligible to receive 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.

IF YOU ARE A MEMBER OF ONE OF THESE TARGET GROUPS, YOU CAN MARKET YOURSELF TO EMPLOYERS AND USE THE TAX CREDIT AS AN INCENTIVE FOR THE EMPLOYER TO HIRE YOU. TALK WITH A JOB SPECIALIST AT YOUR LOCAL CAREER CENTER TO SEE IF YOU QUALIFY.

Calendar Year 2008

- Massachusetts WOTC unit processed 19,144 new requests from the employer community.
- Massachusetts WOTC unit issued 9,832 certifications.
- These certifications represent a “maximum potential” tax credit of over \$37,100,000 to Massachusetts based employers.

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 member of a family that is receiving or has received Transitional Aid to Families with Dependent Children (TAFDC) benefits or Temporary Assistance to Needy Families (TANF) for any 9 months during the 18-month period that ends on the hiring date.
- A veteran who is a member of a family that is receiving or has recently received food stamps and certain qualified disabled veterans.
- A recently released ex-felon.
- An 18 to 39 year old resident of one of the 105 federally designated Empowerment Zone/Renewal Communities.
- A vocational rehabilitation referral who completed or is completing rehabilitative services from the Commonwealth of Massachusetts, an Employment Network, or the U.S. Department of Veterans Services.
- A 16 to 17 year old Empowerment Zone/Renewal Community resident hired between May 1 and September 15 as a Summer Youth Employee.
- An 18 to 39 year old member of a family that is receiving or has recently received food stamps.
- A recipient of Supplemental Security Income (SSI) benefits.
- A long-term TAFDC/TANF recipient.
- The "American Recovery and Reinvestment Act of 2009" has created two additional WOTC categories for individuals hired in 2009 and 2010: Unemployed Veterans and Disconnected Youth.

Amount of the Credit

The WOTC credit can potentially be as much as:

- \$2,400 for each new adult hire;
- \$4,800 for each new disabled veteran hire;
- \$1,200 for each new summer youth hire; and
- \$9,000 for each new long-term TAFDC/TANF recipient hired (this is claimed over a two-year retention period)

For more information, contact your local career center or

Work Opportunity Tax Credit Unit
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