

WORK OPPORTUNITY TAX CREDIT TARGET GROUP ELIGIBILITY

WOTC Target Groups	
Veteran	To be considered a veteran eligible for WOTC, an individual must meet these two standards: 1. Have served on active duty (not including training) in the U.S. Armed Forces for more than 180 days or have been discharged or released from active duty for a service-connected disability; AND 2. Cannot have a period of active duty (not including training) of more than 90 days that ended during the 60-day period ending on the hiring date. To be eligible for WOTC, a veteran must also be <u>one</u> of the following: • A member of a family that received Supplemental Nutrition Assistance Program benefits (food stamps) for at least 3-months during the 15-month period ending on the hiring date; OR • Entitled to compensation for a service-connected disability and was: ○ Hired within 1 year of discharge or release from active duty, or ○ Unemployed for at least 6 months in the year ending on the hiring date; OR • Unemployed for: ○ At least 4 weeks (but less than 6 months) in the year ending on the hiring date, or ○ At least 6 months in the year ending on the hiring date.
Long-Term or Short-Term Temporary Assistance for Needy Families Recipient	Short-term Temporary Assistance for Needy Families (TANF) Recipient – An individual who is a member of a family that: • Received TANF benefits for any 9 months during the 18-month period ending on the hiring date. Long-term TANF Recipient – An individual who is a member of a family that meets one of the following: • Received TANF benefits for at least 18 consecutive months ending on the hiring date; OR • Stopped being eligible for TANF payments during the past 2 years because a Federal or state law limited the maximum time those payments could be made, and the individual is hired not more than 2 years after such eligibility ended; OR • Received TANF benefits for any 18 months after August 5, 1997, and has a hiring date that is not more than 2 years after the end of the earliest 18-month period after August 5, 1997.
Supplemental Nutrition Assistance Program Recipient (Food Stamps)	A Supplemental Nutrition Assistance Program (SNAP) recipient age 18-39 years who is a member of a family that received SNAP benefits (food stamps) for: • The 6-month period ending on the hiring date; OR • At least 3 of the 5 months ending on the hiring date, in the case of a family member who ceased to be eligible for such assistance under Section 6(o) of the Food Stamp Act of 1977.
Designated Community Resident	An 18-39 year old who lives within one of the federally-designated Rural Renewal Counties or Empowerment Zones. For additional information on Rural Renewal Counties or Empowerment Zones, please visit: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/rc. A listing of current Empowerment Zones (EZs) can be found at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/rc/ezcontacts.

	To locate Empowerment Zones, visit the EZ Locator at: http://egis.hud.gov/ezrlocator/ .
Vocational Rehabilitation Referral	An individual with a disability who completed or is completing rehabilitative services from a state-certified agency, an Employment Network under the Ticket to Work program, or the U.S. Department of Veteran Affairs.
Ex-Felon	An individual who: • Has been convicted of a felony; AND • Who is hired within 1 year after the conviction or release date from prison.
Supplemental Security Income Recipient	An individual who received Supplemental Security Income (SSI) benefits for any month that ended during the 60-day period ending on the hire date.
Summer Youth Employee	A 16 or 17 year-old youth who: • Works for the employer between May 1st and September 15th; AND • Lives within one of the federally-designated Empowerment Zones. For additional information on Rural Renewal Counties or Empowerment Zones, please visit: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/rc. A listing of current Empowerment Zones (EZs) can be found at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/economicdevelopment/programs/rc/ezcontacts. To locate Empowerment Zones, visit the EZ Locator at: http://egis.hud.gov/ezrlocator/.

Which employees do not qualify to be certified?

Some employees do not qualify the employer for the WOTC. They include:

- Relatives and dependents of the employer, including sons, daughters, stepchildren, spouses, fathers, mothers, brothers, sisters, step-brothers or sisters, nephews, nieces, uncles, aunts, cousins, or in-laws
- Former employees, regardless of how long it has been since he/she last worked for the employer (except for summer youth)
- Majority owners of the business.

What wages do not qualify for the tax credit calculation?

Wages include all remuneration paid to an employee. However, to qualify, the wages must be:

- Wages for which the employer pays Federal Unemployment Tax Act (FUTA) taxes
- Wages actually paid by the employer, including those to on-the-job training (OJT) participants. If the OJT worker is receiving subsidized wages directly from another party, or indirectly paid through the employer, then the wages do not qualify (although the hours worked for the employer count for the minimum retention period).

Note: Please refer to the respective IRS forms for instructions on calculating and claiming the tax credit.

