

WORK OPPORTUNITY TAX CREDIT

Desk Aid

Background

The Work Opportunity Texas Credit (WOTC) was created to reduce the federal tax liability of private, for-profit employers that hire employees from certain targeted groups. On May 25, 2007, the Small Business and Work Opportunity Tax Act of 2007 was signed into law, extending WOTC through August 31, 2011.

Eligible Resident Customers

The targeted groups are:

- Qualified Veterans /Disabled Veterans
- Qualified Ex-Felons
- Qualified Vocational Rehabilitation Customers referred to Workforce Solutions
- Qualified Youth working summer jobs
- Qualified Temporary Assistance for Needy Families Recipients
- Qualified Food Stamp Recipients
- Qualified Supplemental Security Income Recipients
- Qualified Long-Term Family Assistance Recipients
- Qualified Designated Community Residents – residing in an Empowerment Zone, Renewal Community, or Rural Renewal County

Inform ex-offender customers about the WOTC during the orientation. Give the customer an information sheet to share with potential employers.

Conditional Certifications

Customers can present conditional certifications to prospective employers to alert the employer they may qualify for WOTC if hired. A conditional certification benefits both the employer and customer by offering employers a valuable tax credit and improving the customer's chance of obtaining employment.

You may only issue conditional certifications for qualified customers from the following targeted groups:

- Disabled Veterans;
- Ex-Felons; and
- Vocational Rehabilitation Referrals.

Direct questions to the WOTC Unit at 1-800-695-6879 regarding the conditional certification process for the remaining WOTC target groups.

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Staff Procedures

- Verify the customer's conditional certification eligibility with the following documentation:
 - Disabled Veterans must provide:
 - U.S. Department of Veterans Affairs rating letter verifying the customer's Disabled Veteran service-connected disability status; and
 - Form DD-214, which verifies active military service.
 - Ex-Felons must provide appropriate court documents. Staff may print and use information from the TDCJ Query Database to document the felony conviction and the dates of incarceration/release and parole.
 - Customers referred by Vocational Rehabilitation (DARS) must provide an Individualized Plan of Employment.
- Prepare the ETA Form 9062: Conditional Certification Work Opportunity Tax Credit manually by completing the paper form - or - electronically by entering the information in the WOTC ES77 database. A separate desk aid for using the WOTC ES77 database can be found on the Workforce Solutions website.
- When conditional certifications are submitted electronically, inform the customer that TWC will be mailing the following items to her within 3 to 5 days:
 - a cover letter;
 - conditional certification ETA Form 9062; and
 - a blank IRS Form 8850 application
- When conditional certifications are submitted manually, the customer's eligibility must first be confirmed by the WOTC Unit. The WOTC Unit will issue the official WOTC certification once:
 - it contacts Workforce Solutions staff and verifies the customer's eligibility;
 - the customer is hired; and
 - the employer has timely filed the IRS Form 8850 application.
- Provide the customer with hard copies of these forms if the conditional certification is issued manually.
- Advise the customer to inform any prospective employers that the official WOTC certification will be issued subsequently, only if the customer maintains the eligibility requirements as determined by the WOTC Unit.
- Enter the TCE-WOTC Eligibility customer service into WorkInTexas.com to show you've provided the customer with WOTC conditional certifications.

File

File the following paperwork in the customer's paper file in the office centralized file system.

- ETA Form 9062: Conditional Certification Work Opportunity Tax Credit
- Documents supporting eligibility

Retain hard copies of all conditional certifications and supporting documentation for a period of four years.