



## Work Opportunity Tax Credit

- IRS Tax Credit Program
- Known as WOTC
- Encourages employers to hire from various targeted groups of job seekers

## Employer Requirements

- Must be “For Profit”
- Does not apply to relatives or domestic servants
- Must qualify at time of hire
- Must retain the employee for at least 120 hours – maximum credit at 400 hours
- Individual must be a first-time hire
- Application received within 28 days of start date

## Target Groups/Maximum Credit

- Short Term TANF Recipient/\$2,400
- Qualified Veterans (Five categories)
  - Food Stamps/\$2,400
  - Service-Connected Disability-Hired within One Year of Discharge/\$4,800
  - Service-Connected Disability-Unemployed at least Six months/ \$9,600
  - Unemployed Four Weeks/\$2,400
  - Unemployed Six months/\$5,600

## Target Groups

- Qualified Food Stamp Recipients/\$2,400
- Qualified SSI Recipients/\$2,400
- Long-Term TANF Recipients/\$9,000 (over two years)
- Qualified Ex-Felons/\$2,400
- Designated Community Residents/\$2,400
- Vocational Rehabilitation Referral /\$2,400

## Forms Needed For Tax Credits



- **IRS Form 8850:** Pre-Screening Notice and Certification Request AND
- **ETA-9061** Individual Characteristics Form  
OR..
- **ETA-9062** Conditional Certification

**HOW DO EMPLOYERS APPLY?**

**Start the Process Electronically at:**

**<http://www.dol.Nebraska.gov>**

**Employment & Training**

**Tax Credits Opportunities**

**Application Process**

Or mail forms to

Nebraska Department of Labor

ATTN: WOTC Unit  
550 South 16th Street  
Lincoln NE 68509-4600

Questions: 402-471-2693  
402-471-9734  
402-471-9977

# WOTC TAX CREDIT CALCULATION CHART

## MINIMUM RETENTION PERIODS AND MAXIMUM TAX CREDIT AMOUNTS

Non-Veteran WOTC Target Groups	Worked at least 120 hours but less than 400 hours	Worked at least 400 hours
Short-Term TANF Recipient	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)
Long-Term TANF Recipient	<b>N/A</b>	<b>Up to \$9,000</b> (over 2 years) (40% of \$10,000 of first-year wages and 50% of \$10,000 of second-year wages)
SNAP (food stamp) Recipient	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)
Designated Community Resident	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)
Vocational Rehabilitation Referral	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)
Ex-Felon	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)
SSI Recipient	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)
Summer Youth Employee	<b>Up to \$750</b> (25% of \$3,000 of first-year wages)	<b>Up to \$1,200</b> (40% of \$3,000 of first-year wages)

Veteran Target Group	Worked at least 120 hours but less than 400 hours	Worked at least 400 hours
Receives SNAP (food stamps) benefits	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)

**Entitled to compensation for service-connected disability:**

Hired 1 year after leaving service	<b>Up to \$3,000</b> (25% of \$12,000 of first-year wages)	<b>Up to \$4,800</b> (40% of \$12,000 of first-year wages)
Unemployed at least 6 months	<b>Up to \$6,000</b> (25% of \$24,000 of first-year wages)	<b>Up to \$9,600</b> (40% of \$24,000 of first-year wages)

**Unemployed:**

At least 4 weeks	<b>Up to \$1,500</b> (25% of \$6,000 of first-year wages)	<b>Up to \$2,400</b> (40% of \$6,000 of first-year wages)
At least 6 months	<b>Up to \$3,500</b> (25% of \$14,000 of first-year wages)	<b>Up to \$5,600</b> (40% of \$14,000 of first-year wages)

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

