

NEWS RELEASE

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Work Opportunity Tax Credit Program Provides Incentives to Employers

DAVENPORT - Iowa Workforce Development (IWD) manages the Federal Work Opportunity Tax Credit (WOTC) Program which provides a tax credit for employers who hire certain targeted groups.

These groups are low-income, vocational rehabilitation referrals, former AFDC recipients, veterans, ex-felons, food stamp recipients, summer youth employees and SSI recipients.

Eligible employees must work 180 days or 400 hours; summer youth must work 20 days or 120 hours. A partial credit of 25% for certified employees who worked at least 120 hours, but less than 400 hours, may be claimed by the employer.

All businesses are eligible for this tax credit. An employer may take a tax credit of up to 40% of the first \$6,000 or up to \$2,400 in wages paid during the first 12 months for each new hire.

Employers must apply for and receive certification from IWD that their new hire is a member of one of the WOTC target groups before they can claim the Work Opportunity Tax Credit on their federal tax return.

For further information about this program, please visit <http://www.iowaworkforce.org/access/wotc.html> or contact:

Ms. Jeanne Sorensen-Wright
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An Equal Opportunity Employer/Program

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