

Take Advantage of Hiring Tax Credits

Article from Maine Department of Labor Employer Newsletter
Information from [CareerCenter](#)

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to employers who hire individuals from eligible target groups. Employers can earn a tax credit of between \$1,200 and \$9,600 per employee, depending on the target group of the new employee and the number of hours worked in the first year. Targeted groups include veterans and 18- to 39-year-old residents of Aroostook and Penobscot counties.

Work Opportunity Tax Credit (WOTC)

The Work Opportunity Tax Credit (WOTC) is a federal tax credit that offers an incentive for private sector businesses to hire individuals from 8 targeted groups that have consistently faced significant barriers to employment.

By participating in the WOTC program, employers:

- Can reduce their federal tax liability by as much as \$9,600 on new hires
- Make the hiring decision
- Complete minimal paperwork to claim the tax credit
- Can hire as many new qualifying individuals as they choose

Targeted groups include:

- Qualified I-VA recipient [Title IV, part A, Social Security Act relating to Temporary Assistance for Needy Families (TANF)]
- Qualified veteran
- Qualified ex-felony
- Designated community resident (empowerment zone, renewal community or rural renewal community)
- Vocational rehabilitation referral
- Qualified food stamps recipient
- Qualified Supplemental Security Income (SSI) recipient
- Qualified long-term Temporary Assistance for Needy Families (TANF) recipient

Please refer to the Instructions for [Form 8850 \(PDF\)](#) (Pre-screening Notice and Certification Request for the Work Opportunity Credit - Rev. January 2012) for group definitions

How employers apply:

There are two forms employers must complete for each new hire.

[IRS Form 8850 \(PDF\)](#) (Pre-screening Notice and Certification Request

for the Work Opportunity Credit - Rev. January 2012) - must be submitted with original signatures and dates

[ETA Form 9061 \(PDF\)](#) (Individual Characteristics Form)

Timely filing is imperative! IRS Form 8850 along with ETA Form 9061 must be mailed to the Maine

Department of Labor no later than the 28th calendar day following the new employee's employment start date. (When the 28th calendar day lands on a Saturday, Sunday or holiday, the next succeeding business day will be treated as the last day of the period.)

Maine Department of Labor
WOTC Coordinator
55 State House Station
Augusta, ME 04333-0055

Learn more:

To find out more about the Work Opportunity Tax Credit, visit the [U.S. Department of Labor](#) website or contact your local CareerCenter.

To speak with the Maine Department of Labor WOTC coordinator, call 207-623-7981, TTY users call Maine Relay 711.