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John Bel Edwards, Governor
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**Office of Workforce Development
 WORK OPPORTUNITY TAX CREDIT**

Revised 04/28/2020

The [Work Opportunity Tax Credit](#) (WOTC) is one tool in a diverse toolbox of flexible strategies designed to help move people into gainful employment and obtain on-the-job experience. It joins other tax credits, education, and workforce training and development programs that help American workers with barriers to employment prepare for good jobs, ease their transition from job to job, benefit from the creation of effective regional economic development strategies and create high performance workplaces.

An employer can earn a tax credit of 25% or 40% of a new employee’s first year wages, up to the cap for the target group for which the employee qualifies. Employers can earn 25% if the employee works at least 120 hours and 40% if the employee works at least 400 hours. Apply for an [e-WOTC](#) account and submit applications online within 28 days of the employee start date or mail in original documents. The original, current, ETA form 9061 and the IRS form 8850 with original signatures must be completed and mailed with a postmark date no later than 28 days after the employee start date, to:

Louisiana Workforce Commission – WOTC
 P.O. Box 94094
 Baton Rouge, LA 70804.

Employers are required to keep copies of application and obtain and retain proof of mailing. Electronic signatures are acceptable for either employer or employee, but not both on one application. The new employee must belong to one of the target groups listed below:

- A. Qualified IV-A (TANF) Recipient** – A member of a family that is receiving or recently received Temporary Assistance to Needy Families (TANF), or benefits under a successor program for any 9 months during the 18-month period ending on the hire date. The Louisiana Workforce Commission WOTC Unit is currently able to verify this information.
- B. Qualified Veteran** – A veteran who is a member of a family that is receiving or recently received food stamps for at least a 3-month period during the past 15 months; and "disabled veterans" who are *receiving* compensation for a service connected disability and who, during the one-year ending on the hiring date, were: a) discharged or released from active duty in the U.S Armed Forces, or b) unemployed for a period or periods totaling at least 6 months. The first-year wages taken into account for these "disabled veterans" are capped at \$12,000. A copy of the applicant's DD-214 or official discharge papers that contain the dates and proof of military service *and* compensation for a service connected disability (if applicable) is required to certify the applicant for this target group.

Qualified Veteran has five certifications with different allowable tax credits:

Veterans receiving SNAP benefits	\$2400.00
Disabled Veterans hired within one year after active duty	\$4800.00
Disabled Veterans unemployed for 6 months prior to hire date	\$9600.00
Disabled Veterans unemployed for 6 months prior to hire date	\$9600.00
Veterans unemployed for 4 weeks prior to hire date	\$2400.00
Veterans unemployed for 6 months prior to hire date	\$5600.00

- C. Qualified Ex-felon** – An ex-felon is an individual who has been convicted of a felony under any statute of the United States or any state; and has a hire date which is not more than one (1) year after the last date on which the applicant was so convicted or was released from prison or is a convicted felon who is participating in a transitional or work release program. The Louisiana Workforce Commission can access information for individuals who have been sentenced to a prison term as a result of a felony conviction by a parish judge in Louisiana. If the conviction was committed in a state other than Louisiana, documentation of that conviction, including the date of conviction/release must be submitted with the application. Documentation is required for work release participants.
- D. Empowerment Zone/Enterprise Community/Rural Renewal County (EZ/EC/RRC) Resident** – An 18-39-year-old resident of one of the federally designated Empowerment Zone (EZ), Enterprise Communities (EC) or Rural Renewal Counties (RRC). To check the address status, log on to: [Google Maps WOTC EZ/EC/RRC Address Locator](#)
Rural Renewal Parishes in Louisiana are: Bienville, Claiborne, Franklin, Jackson, Morehouse, St. Mary, Tensas, Vernon, and Webster. The following documentation must be included with this certification request: a. Proof of Age (*a copy of the employee's driver's license or birth certificate*); **and** b. Proof of Address (*a copy of the IRS W-4, utility bill or similar mailing*), showing an address in an Empowerment Zone, Enterprise Community or Rural Renewal Community. The address on the IRS 8850 and the proof of address documentation must match.
- E. Vocational Rehabilitation Referrals** – Applicant has a physical or mental disability which results in a substantial handicap to employment; and was referred to the employer upon completion of, or while receiving, rehabilitative services pursuant to: 1) an individualized written plan of employment (IWPE), under a state plan for vocational rehabilitation services approved under the Rehabilitation Act of 1973 (as amended, 1998); 2) a vocational rehabilitation program for veterans; or 3) an employment network under the Ticket to Work program. No proof of participation in any of these programs is required. The Louisiana Workforce Commission WOTC Unit can verify participation.
- F. Summer Youth - Expired target group as of 12/31/2016**
- G. SNAP Recipient** – A member of a family that is receiving or recently received Supplemental Nutritional Assistance Program benefits (Food Stamps), and is at least 18, but not yet 40 years old, on the hire date. Individual is a member of a family receiving assistance under a food stamp program for the 6-month period ending on the hire date; or receiving such assistance for at least 3 months of the 5-month period ending on the hire date. The Louisiana Workforce Commission WOTC Unit can verify this information.
- H. Supplemental Security Income (SSI) Recipient** – An individual is a “qualified SSI recipient” if a month for which this person received SSI benefits is within 60 days of the date this person is hired. The Louisiana Workforce Commission WOTC Unit verifies eligibility.
- I. Long-term Family Assistance Recipient** – An individual who at the time of hiring is a member of a family that received TANF payments for a minimum of the prior 18 consecutive months; or received assistance for 18 months beginning after August 5, 1997 and it has not been more than 2 years since the end of the earliest of such 18-month period; or whose TANF eligibility expired under a federal or state law after August 5, 1997, and who was hired within two years after their eligibility expired. The Louisiana Workforce Commission WOTC Unit can verify this information if benefits were received in Louisiana.

- J. Unemployed Veterans - Expired target group as of 12/31/2010**
- K. Disconnected Youth - Expired target group as of 12/31/2010**
- L. Long-term Unemployment Recipient** – A qualified long-term unemployment recipient is one who has been unemployed for not less than 27 consecutive weeks at the time of hiring and received unemployment compensation during some or all of the unemployment period, as described under State or Federal law (see IRS notice 2016-22). These new hires must have begun work for an employer on or after January 1, 2016. ETA Form 9175, *Long-term Unemployment Recipient Self-Attestation Form*, is mandatory with submission.

Process for Employers:

No later than 28 days after the employee start date, the IRS Form 8850, *Pre-Screening Notice and Certification Request for the Work Opportunity Tax Credit*, **and** the ETA Form 9061, *Individual Characteristic Form*, should be submitted online through our [e-WOTC](#) web-based system or the original forms with original signatures should be mailed to the address mentioned above. The employer or its consultant will receive either a denial or certification notice once the request has been processed. All certification notices will denote the target group for which the applicant was certified by listing the corresponding alphabetic letter (A through L) as listed above. For target groups not identified below, the tax credit is based on qualified wages paid to the employee for the first year of employment. Qualified wages are capped at \$6,000. The tax credit is 25% (\$1,500) of qualified first-year wages for those employed at least 120 hours but fewer than 400 hours and 40% (\$2,400) for those employed 400 hours or more.

Disabled Veteran Employees:

Qualified wages for Disabled Veterans only are based on the first \$12,000 in wages. The tax credit is 25% (\$3,000) if employee works at least 120 hours but less than 400 hours, and 40% if employee works at least 400 hours for a maximum credit of \$4,800.

Long-term TANF Recipients:

Wages are capped at \$10,000 (\$4,000 tax credit for the first year). The tax credit can also be applied to the employee's qualified second-year wages, also capped at \$10,000. The tax credit is 50% (\$5,000) of qualified wages for the second year of employment.

Ineligible for The Work Opportunity Tax Credit:

- Employers not covered by FUTA
- Relatives of the employer
- Federally subsidized on-the-job training positions such as apprenticeship program
- Re-hires: Any individual that previously worked for the employer

e-WOTC web-based, online submission system: <https://www.laworks.net/wotc/Default.aspx>
Click on “**Apply now**,” located in center of login section, to register for an account.

If you need additional information or have any questions, email us at wotc@lwc.la.gov or call: (225) 342-2939.