

Anchin Alert

Anchin, Block & Anchin LLP
Accountants and Advisors

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Window for Work Opportunity Tax Credit Extended

The Work Opportunity Tax Credit (WOTC) is a federal income tax credit for each new hire that is a member of certain targeted groups. The Protecting Americans from Tax Hikes Act of 2015 (the PATH Act), enacted in December of 2015, extended the WOTC through December 31, 2019, for companies hiring individuals in targeted groups including long term unemployment recipients hired after January 1, 2016.

An employer can treat an individual as a member of a targeted group only if (1) on or before the day the individual begins work, the employer obtains certification from the Designated Local Agencies (DLAs) that the individual is a member of a targeted group; or (2) the employer completes a pre-screening notice (Form 8850) on or before the day the individual is offered employment and submits such notice to the DLA to request certification not later than 28 days after the individual begins work.

When the credit was extended for 2015, it was not clear how employers who hired eligible employees in 2015 would be able to timely file the form and certify those employees.

The IRS is extending the time employers who want to claim the Work Opportunity Tax Credit (WOTC) have to file Form 8850, Pre-Screening Notice and Certification Request for the Work Opportunity Credit, for 2015 hires.

Notice 2016-22 waives the 28-day deadline for submitting IRS Form 8850 (the WOTC Pre-screen Notice) for qualifying employees hired between January 1, 2015 and May 31, 2016. **The extended deadline for submitting the applications for affected employees is now June 29, 2016.**

A timely request for certification does not eliminate the need for the employer to receive a certification before claiming the credit.

[Click here to read the complete notice.](#)

Don't leave money on the table: Anchin's Tax Credits and Incentives Group can analyze your current situation and help you obtain and maximize valuable incentives. For more information, please contact your Anchin Relationship Partner or Paul Gevertzman, Practice Leader, Anchin's Tax Credits and Incentives Group at 212.840.3456.

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