

Anchin Alert

Anchin, Block & Anchin LLP
Accountants and Advisors

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Still Much for Employers to Do During 2015 WOTC Hiatus Period

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 Tax Increase Prevention Act of 2014 (the Act), enacted on December 19, 2014 extended the WOTC through December 31, 2014, for companies hiring individuals in targeted groups, and for qualified tax-exempt organizations hiring qualified veterans.

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 2014, the IRS extended the time employers who want to claim the Work Opportunity Tax Credit (WOTC) had to file Form 8850 (Pre-Screening Notice and Certification Request for the Work Opportunity Credit) for 2014 hires to April 30, 2015.

The WOTC reauthorization expired on December 31, 2014, and is in a “hiatus” period as of January 1, 2015. As in previous hiatus periods, the Employment and Training Administration (ETA) has instructed state workforce agencies (SWAs) to continue to accept applications (Form 8850) in anticipation of a retroactive reauthorization. For this reason, employers should continue to submit WOTC applications on Form 8850 within 28 calendar days of a qualifying new hire’s start date.

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

Additional information on the WOTC certification process can be found here:
[WOTC Forms, Employment & Training Administration \(ETA\) - U.S. Department of Labor](#)

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