**Work Opportunity Tax Credit**

The Work Opportunity Tax Credit (WOTC) is a federal tax credit available to businesses who employ individuals who have consistently faced specific barriers to employment and that are from specific target groups. Restrictions and limitations do apply. For more information about the WOTC, visit the United States Department of Labor (DOL) Employment and Training Administration (ETA) website at [https://www.doleta.gov/business/incentives/opptax/](https://www.doleta.gov/business/incentives/opptax/).

**Who is eligible (targeted groups)?**

- TANF, SNAP, and SSI recipients
- Veterans
- Ex-felons
- Designated Community Residents (DCR)
- Vocational Rehabilitation Customers
- Summer Youth Employees
- Recipients of Long-term Family Assistance
- Recipients of Long-term Unemployment

Additional information and descriptions for the groups identified above can be found at [https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit](https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit).

**What is the general process for an Employer to Claim the WOTC?**

Employers must first certify that the employee is from a specific targeted group by that employee’s 28th day of employment. Once certified, the employer can move forward with filing to receive the tax credit.

**How does an employer certify that an employee is from a targeted group?**

An employer must complete and submit Form 8850 and either ETA Form 9061 or ETA Form 9062 to their local state workforce agency (SWA). This form must be completed and submitted by the 28th calendar day after a person from a targeted group is employed by the business.

Additional information about the forms and how to locate the SWA where the business is located can be found at [https://www.doleta.gov/business/incentives/opptax/how-to-file/](https://www.doleta.gov/business/incentives/opptax/how-to-file/).

**Once an employer is certified, how do they claim the credit?**

Employers will need to complete a Form 5884 and a Form 3800. For tax exempt employers 501(c), a Form 5584-C must be completed and submitted.

Additional information including the forms themselves and instructions for completing and submitting these forms can be found at [https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit](https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit).