

Work Opportunity Tax Credit Program



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For New WOTC forms (please discard all other versions):

- [ETA Form 9061 Revised November 2016](#)
- [IRS Form 8850 March 2016](#)
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NOTICE TO EMPLOYERS:

The PATH Act. On December 18, 2015, President Obama signed into law the Protecting Americans from Tax Hikes Act of 2015 (the PATH Act). This Act retroactively reauthorizes the WOTC program with all its current target groups, without changes or new provisions, for a 5-year period, after December 31, 2014 to December 31, 2019.

The Act introduces a new target group, a Qualified Long-term Unemployment Recipient, which is defined as any individual who is certified by the designated local agency as being in a period of unemployment which –

- is not less than 27 consecutive weeks, and
- includes a period in which the individual was receiving unemployment compensation under State or Federal law.

Employment and Training Administration (ETA) and IRS are working together to modify the WOTC Forms, ETA Form 9061 and IRS Form 8850, to include the new Long-term Unemployment Recipient target group. To help employers and their representatives screen eligible new hires for New Target Group, ETA plans to modify ETA Form 9061 for statutory requirements for the New Target Group. The IRS Form 8850 is also expected to be revised. In the interim, employers and their representatives are encouraged to postpone submitting certification requests for the New Target Group until the revised forms are available.

ETA will notify states when employers are to start using the new forms. Until then, State Workforce Agencies (SWAs) May accept current forms 9061 or 9061 (expiration date: August 31, 2018 that indicate “Long-term Unemployment Recipient” in the top margin, right corner underneath the expiration date.

ETA form 9061 – Expiration Date. The authority to continue using OMB approved form No. 1205-0371 (ETA form 9061 – Rev. July 2013) technically expired on June 30, 2015. In the past ETA has informed the SWAs and the employer community to continue using expired forms since at the time OMB granted approval on a daily basis until OMB was ready to issue what is called a Notice of Action (NOA) with the new expiration date.

This time OMB has granted approval to use all forms under review but without any changes except the new expiration date for a period of one month each time until they are ready to issue ETA the final NOA for all WOTC forms with the new expiration date. Currently, ETA is updating the forms on a monthly basis, adding the current expiration date to all program forms and making them available to SWAs and the employer/consultant community at WOTC's website, www.doleta.gov/wotc. SWAs are instructed to either obtain those forms from the website or continue using and accepting the June 30, 2015 forms from employers until further guidance from ETA.

IRS “ Relief” Granted to Texas. The IRS has granted a relief period to all employers and consultants requesting the Work Opportunity Tax Credit (WOTC) affected by the recent storms, tornadoes, and floods hitting the state of Texas. Affected employers and consultants submitting WOTC related IRS form 8850 for their new hires in declared disaster zones or other storm affected areas have until November 2, 2015 to submit IRS form 8850 “Pre-Screening Notice and Certification Request for the Work Opportunity Credit” to the State Workforce Agencies (SWAs). To find out if your Texas county or city qualifies, please visit the following link: <http://www.irs.gov/uac/Tax-Relief-for-Victims-of-Severe-Storms-Tornadoes-Straight-line-Winds-and-Flooding-in-Texas>. Otherwise, the post marked date must continue to be within 28 days after the employment start date of the new hire.

The Alaska WOTC Online System. Employers and their consultants can now enter tax credit applications using our new online system! You must first request an account and have it approved before having full access to submit your tax credit requests, track the status of submitted applications, print letters and certifications, and view Power of Attorneys (POAs) that may exist. Please send an email to dol.wotc@alaska.gov to request an account or if you have additional questions regarding the electronic filing process.

Transition Relief for Employers’ Submission of Form 8850 for All WOTC Target Groups. Section III, p.2, of IRS Notice 2015-13 provides taxable employers, including tax-exempt, 501 © organizations, with transition relief from the 28-day timely filing requirement by providing additional time to file IRS Form 8850 with the State Workforce Agency (SWA). The Notice is available at <http://www.irs.gov/pub/irs-drop/n-15-13.pdf>. Under the Notice, an employer who hires a qualified member of the current target groups on or after January 1, 2014, and before January 1, 2015, will be considered to have satisfied the 28-day timely filing requirement if the employer submits IRS Form 8850 to the SWA to request certification not later than April 30, 2015. A timely request for certification does not eliminate the requirement for the employer to receive a certification before claiming the credit.

Guidance on WOTC Program Status. The legislative authority for the WOTC program, which had expired on December 31, 2013, has been extended. President Obama signed the tax extension bill (the Act) on December 19, 2014. The current Act extends the WOTC program through December 31, 2014, and retroactively reauthorizes the program for new employees hired on or after January 1, 2014. At this time, the Department of Labor is working with the Internal Revenue Service (IRS) to issue reauthorization guidance to the state workforce agencies and the employer community. Employers should continue to submit WOTC applications to state workforce agencies

within 28 calendar days after the new hire's start date. For further information, visit the IRS WOTC Website, view ETA's [Interim Instructions on the 2014 Reauthorization and 2015 Hiatus](#), or look for updates on ETA's national WOTC website at www.doleta.gov/WOTC/ under "What's New."

Processing Certifications Received in the 2015 (Hiatus). The recent WOTC authorization expired on December 31, 2014, placing WOTC in a "hiatus" period again starting on January 1, 2015. ETA provided procedural guidance to the SWAs and the employer community in Training and Employment Guidance Letter (TEGL) No. 8-13 regarding requests for certifications submitted to SWAs during the 2014 authorization lapse. Similar to the 2014 hiatus period, and specifically in the 2015 hiatus period, states can accept applications for new employees in the current WOTC target groups hired on or after January 1, 2015, but must postpone final processing of those certification requests pending further Congressional legislative action.

The Act did not change any program requirements or target groups. Filing deadlines and target group eligibility remain the same as for 2013 and 2014. Information on the eligibility requirements for the current target groups is available at <http://www.doleta.gov/business/incentives/opptax/eligible.cfm>.

Legislative Provisions. On January 2, 2013, President Obama signed into law the American Taxpayer Relief Act of 2012. Section 327 reauthorizes EZs and Section 309 reauthorizes the extension of the WOTC program.

In summary, this legislation:

- Continues the uninterrupted implementation of all veteran target groups, including those implemented under the VOW Act through December 31, 2013.
- Retroactively reauthorizes all WOTC non-veteran target groups from December 31, 2011 through December 31, 2013 (Short-Term TANF Recipient, Long-Term TANF Recipient, SNAP Recipient, Designated Community Resident, Vocational Rehabilitation Referral, Ex-Felon, SSI Recipient and Summer Youth).
- Provides legislative authorization for EZs from December 31, 2011 through December 31, 2013.
- Does not reauthorize the Recovery Act disconnected youth and Recovery Act unemployed veteran target groups that expired at the end of 2010.

The new provisions required that three of five Employment and Training Administration (ETA) WOTC program forms be revised to reflect the legislative changes. ETA requested Office of Management and Budget (OMB) approval to make minimal, non-substantive changes to forms employers and State Workforce Agencies (SWAs) use to submit requests for the WOTC.

- **Revised Forms and Instructions.** ETA updated forms 9061 and 9062 and their instructions to reflect the new provisions introduced by Pub. L. 112-240 as follows: 1) adding the Summer Youth group as a result of the retroactive reauthorization of the EZs, 2) inclusion of the non-veteran target groups, which were retroactively extended, 3) information about the continuation of the VOW Act veterans provision, and 4) updating the revision date from June 2012 to July 2013 at the bottom right-hand corner each page.
- **Guidance.** To ensure the smooth and uninterrupted submission by employers of the certification requests for their new hires, ETA is granting a transition period that allows employers to continue to file with the SWAs the "old" ETA 9061 and 9062 forms from June 2012, for a temporary period. SWAs, participating agencies, employers and their representatives are encouraged to start using the OMB-approved versions of the revised

ETA forms as soon as possible: Revised IRS Form 8850 (January 2013 version), ETA Form 9061 (July 2013 version) and ETA Form 9062 (April 2013 version). After September 12, 2013, SWAs should not accept other versions of ETA Forms 9061 or Form 9062.

Vow to Hire Heroes Act of 2011

On November 21, 2011, President Obama signed into law the Vow to Hire Heroes Act of 2011. Section 261 of the Act, the “Returning Heroes and Wounded Warriors Work Opportunity Tax Credits,” amends and expands the definition of WOTC’s Veteran target groups. The changes and new provisions in this Act apply to individuals who begin to work for an employer the day after its enactment from November 22, 2011 through December 31, 2012. The Vow to Hire Heroes Act does not extend any of the other non-Veteran WOTC target groups, which currently expire on December 31, 2011. Qualified “tax-exempt” (i.e., [501\(c\)](#)) organizations can now participate by hiring qualified veterans and are now eligible to claim the WOTC.

The Vow to Hire Heroes Act of 2011 includes the following provisions:

- Extends the current target group for Veterans receiving Supplemental Nutrition Assistance Program (SNAP) benefits with the same qualified wages cap¹ (\$6,000) and maximum tax credit (\$2,400).
- Extends the current target group for Veterans with a service-connected disability with the same qualified wages cap (\$12,000) and maximum tax credit (\$4,800).
- Extends the current target group for Veterans with a service-connected disability unemployed for at least 6 months with the qualified wages cap increased to \$24,000 and the maximum tax credit increased to \$9,600.
- Establishes a new target group for unemployed Veterans, similar to the Recovery Act of 2009 unemployed Veteran group that expired on December 31, 2010:
 - Veterans unemployed for at least 4 weeks with a qualified wages cap of \$6,000 and maximum tax credit of \$2,400.
 - Veterans unemployed for at least 6 months with qualified wages cap of \$14,000 and maximum tax credit of \$5,600.
 - State Workforce Agencies will certify veterans as meeting the required periods of unemployment based on receipt of unemployment insurance compensation.

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- Veterans unemployed for at least 4 weeks with a qualified wages cap of \$6,000 and maximum tax credit of \$2,400.
- Veterans unemployed for at least 6 months with qualified wages cap of \$14,000 and maximum tax credit of \$5,600.
- State Workforce Agencies will certify veterans as meeting the required periods of unemployment based on receipt of unemployment insurance compensation.

Vow to Hire Heroes Act Target Groups:

1. Veterans who received 3 months of Supplemental Nutrition Assistance Program (SNAP) or Food Stamps (FS) within 15 months of hire date
2. Veterans with a service-connected disability hired within 1 year of discharge
3. Veterans with service-connected disability who are unemployed for at least 6 months of the last 12 months of hire date
4. Veterans who received at least 4 weeks of Unemployment Insurance benefits within 1 year of hire date
5. Veterans who received at least 6 months of Unemployment Insurance benefits within 1 year of hire date

New Forms:

IRS Form 8850 March 2016

[IRS Form 8850 March 2016 Instructions](#)

Guidance. Employers requesting certification for veteran target group categories will be required to provide copy of DD-214 or other veteran status confirmation when submitting certification request for veteran employees with effective hire dates of April 1, 2013. For more information, click on http://jobs.alaska.gov/wotc/2013-05-01WOTC_Press_Release.pdf.

Businesses claim the credit on their income tax return. The credit is first figured on [Form 5884](#) and then becomes a part of the general business credit claimed on [Form 3800](#).

This credit is also available to certain tax-exempt organizations by filing [Form 5884-C](#). The guidance released today also provides instructions and a new set of forms for tax-exempt organizations to claim the credit. [For more information, including how to claim the credit, go to IRS.gov.](#)

Filing Instructions

When requesting certification for the Veteran target groups using ETA Form 9061, employers and consultants should do the following:

1. When using the hard copies of Form 9061, indicate in red at the top margin of the form the Veteran target group for which they are requesting certification.
2. Employers and consultants must provide veteran status documentation.
3. Employers and consultants must continue to adhere to the “28-day timely filing” requirement.

4. Employers and consultants should follow any other instructions IRS may issue.

WHAT IS THE WORK OPPORTUNITY TAX CREDIT (WOTC) PROGRAM?

Employer tax credits are an important part of the diverse strategies designed to help people gain on-the-job experience and acquire better employment. The WOTC program offers federal tax credits to employers as an incentive to hire people in several specific target groups.

WHO IS HELPED BY THE WOTC PROGRAM?

WOTC helps both employers and targeted job seekers. Employers save as tax credits help defray payroll expenses. Job seekers qualifying as a member of one of the targeted groups gain an advantage in the job market.

WHO DOESN'T QUALIFY?

- Former employees regardless of how long it has been since the employee last worked for employers.
- Family members or relatives of the employer. Relatives include sons, daughters, stepchildren, spouses, father, mothers, brothers, sisters, stepbrothers or sisters, nephews, nieces, uncles, aunts, cousins, or in-laws.
- Employees receiving On-the-Job-Training (OJT) payments. Employers cannot count wages for tax credit during the period when employees received federally subsidized OJT payments. However, employers may claim tax credit for WOTC eligible employees after OJT contract expires, but not to exceed 12 months from start date. Employee must work 400 hours or 180 days for employer to be eligible for reimbursement. For a potentially eligible WOTC employee(s) that is about to begin an On-the-Job Training (OJT) program, employers must mail a completed certification request to the WOTC Unit no later than 28 calendar days after the individual begins the OJT experience. The OJT start date is treated as the employment start date when determining Employer Certification eligibility.
- Employees with a substantial financial interest in the business.
- Shareholders.

WHO QUALIFIES FOR THE WOTC PROGRAM?

WOTC applies only to NEW employees. The new employee must belong to one of the following 9 targeted groups, which have been extended through December 31, 2014:

- A. **TANF Recipient** - a member of a family that has received Temporary Assistance for Needy Families through a program such as the Alaska Temporary Assistance Program (ATAP) for at least any 9 months within the last 18 months ending on the hiring date.
- B. **Veteran** - For WOTC purposes, "Veteran" is defined as an individual who:
 - Served on active duty (not including training) in the Armed Forces of the United States for more than 180 days; OR
 - Was discharged or released from active duty for a service connected disability, AND was not serving more than a 90-day period of active duty (not including training) on any day within 60 days of the hiring date.

Five Qualifying Categories:

1. Veteran (Food Stamps)

A member of a family that received Food Stamps for at least a 3-month period during the 15-month period ending on the hiring date.

2. Disabled Veteran

Who is entitled to compensation for a service-connected disability; AND

Hired within one year of discharge or release date

3. **Disable Veteran**

Who is entitled to compensation for a service-connected disability; AND
Unemployed 6 (whether or not consecutive) of the last 12 months ending on the hiring date.

4. **Unemployed Veteran**

Received at least 4 weeks of Unemployment Insurance (UI) benefits
OR missing (whether or not consecutive) 1 quarter wages within 1 year of hire date

5. **Unemployed Veteran**

Received at least 6 months of UI benefits OR missing (whether or not consecutive) 2 quarter wages within 1 year of hire date

C. **Ex-felon** - a person convicted of a felony under any state or federal law and hired within one year of conviction OR release from prison.

D. **Designated Community Residents** – ages 18-39; must reside in an Empowerment Zone (EZ), Renewal Community (RC), OR Rural Renewal County (RRC).

What is an Empowerment Zone (EZ) or Renewal Community (RC)?

Refers to an area or combination of areas designated by the U.S. Housing and Urban Development (HUD) and/or the U.S. Dept. of Agriculture (USDA) that meet certain population, size, and poverty criteria.

Metlakatla is the only EZ/RC in Alaska. This designation remains in effect until December 31, 2014.

What is a Rural Renewal County (RRC)?

A rural renewal county is a county in a rural area that lost population during the 5-year periods 1990 through 1994 and 1995 through 1999.

RRCs in Alaska are the census areas of Aleutians West, Wrangell-Petersburg, and Yukon-Koyukuk. Communities in the Aleutians West Census Area:

Adak, Atka, Attu Station, Eareckson Air Station, Nikolski, Saint George, Saint Paul, and Unalaska.

Communities in the Wrangell-Petersburg Census Area:

Kake, Kupreanof, Petersburg, and Port Alexander.

Communities in the Yukon-Koyukuk Census Area:

Alatna, Allakaket, Anvik, Arctic Village, Beaver, Bettles, Birch Creek, Central, Chalkyitsik, Circle, Coldfoot, Evansville, Flat, Fort Yukon, Four Mile Road, Galena, Grayling, Holy Cross, Hughes, Huslia, Kaltag, Koyukuk, Lake Minchumina, Livengood, Manley Hot Springs, McGrath, Minto, Nenana, New Allakaket, Nikolai, Nulato, Rampart, Ruby, Shageluk, Stevens Village, Takotna, Tanana, Venetie, and Wiseman.

E. **Vocational Rehabilitation referral** - a disabled person who has completed or is completing rehabilitative services under an “Individualized Plan for Employment” (IPE) from a vocational rehabilitation agency approved by the state OR the Department of Veterans Affairs OR an Employment Network under the Ticket-to-Work Program within the last two years of hire.

- F. **Qualified Summer Youth** – ages 16 and 17; works between May 1 and Sept. 15; must reside in an EZ or RC; AND has not been employed by the same employer before the 90 days between May 1 and September (summer period).
- G. **Food Stamp Recipient** - between the ages of 18 - 39, AND, member of a family that has received food stamps for the last six months.
- H. **SSI Recipient** - a person who has received Supplemental Security Income (SSI - under Title XVI of the Social Security Act) benefits for any month ending within the last 60 days on the hiring date.
- I. **Long-term Family Assistance Recipient** - an individual may be certified as a long-term family assistance recipient if he or she is a member of a family that:
- Received TANF payments for the 18 month period (consecutive) ending on the hire date, OR
 - Received TANF payments for any 18 months beginning after August 5, 1997 with the 18th month payment falling within 2 years of hire date, OR
 - After August 5, 1997, stops being eligible for assistance payments because federal or state law limits the maximum period such assistance is payable, and the individual is hired not more than two years after such eligibility for assistance ends.

HOW MUCH IS THE TAX CREDIT?

For the Target Group A, C, D, E, G and H

The tax credit is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working at least 120 hours, but less than 400 hours. This allows a maximum credit amount of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first year wages up to \$6,000. **This allows a maximum credit amount of \$2,400.**

For the Target Group B (active Veteran Categories effective 11/22/2011)

Veteran (Food Stamps) - Ba:

For Veterans who are receiving food stamps only, the tax credit is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working at least 120 hours but less than 400 hours. This allows a maximum credit of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first-year wages up to \$6,000. **This allows a maximum credit of \$2,400.**

Disabled Veteran - Bb:

Veterans with a service-connected disability hired within 1 year of discharge

The tax credit is calculated at the rate of 25% of the qualified first-year wages up to \$12,000 for employees working at least 120 hours, but less than 400 hours. This allows a maximum credit amount of \$12,000. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first year wages up to \$12,000. **This allows a maximum credit amount of \$4,800.**

Disabled Veteran - Bc:

Veterans with a service-connected disability who are unemployed for at least 6 months of the last 12 months of hire

The tax credit is calculated at the rate of 25% of the qualified first-year wages up to \$24,000 for employees working at least 120 hours, but less than 400 hours. This allows a maximum credit amount of \$6,000. For employees working at least 400 hours or more, the credit is calculated at the

rate of 40% of the qualified first year wages up to \$24,000. **This allows a maximum credit amount of \$9,600.**

Unemployed Veteran – Bd:

Veterans who received Unemployment Insurance benefits for at least 4 weeks

The tax credit is calculated at the rate of 25% of the qualified first-year wages up to \$6,000 for employees working at least 120 hours, but less than 400 hours. This allows a maximum credit amount of \$1,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first year wages up to \$6,000. **This allows a maximum credit amount of \$2,400.**

Unemployed Veteran – Be:

Veterans who received Unemployment Insurance benefits for at least 6 months

The tax credit is calculated at the rate of 25% of the qualified first-year wages up to \$14,000 for employees working at least 120 hours, but less than 400 hours. This allows a maximum credit amount of \$3,500. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first year wages up to \$14,000. **This allows a maximum credit amount of \$5,600.**

For the Target Group F (Summer Youth)

The tax credit for this target group is calculated at the rate of 25% of qualified first-year wages up to \$3,000 for employees working at least 120 hours, but less than 400 hours. This allows a maximum credit of \$750. For employees working at least 400 hours or more, the credit is calculated at the rate of 40% of the qualified first- year wages up to \$3,000. **This allows a maximum credit amount of \$1,200.**

For the Target Group I (Long-Term TANF Recipients)

The tax credit may be earned for the first two years of employment. Wages are capped at \$10,000 for the first and second year of employment. For qualified first-year wages which begins the day the employee starts work, the maximum amount of wages to which the 40% tax credit may be applied during the first year shall not exceed \$10,000 for a maximum first year credit of \$4,000. For qualified second-year wages, the maximum amount of wages to which the 50% may be applied shall not exceed \$10,000 for a maximum credit of \$5,000. **Under category I, employers can claim up to \$9,000 of combined tax savings per TANF recipient hired over a two-year period.**

STEP BY STEP INSTRUCTIONS FOR WOTC APPLICATION

Employers must apply and receive certification from the Alaska Department of Labor and Workforce Development (AK DOLWD) that their newly hired employee belongs to one of the target groups eligible for the WOTC before claiming credit on their federal income tax return.

There are only three steps to apply for WOTC certification for a new employee. Please make sure all forms are complete before being submitted. Otherwise, the result could be a delay in making a determination.

1. Complete [IRS Form 8850](#), "Pre-Screening Notice and Certification Request" March 2016 version. For instructions on how to complete the IRS Form 8850, please review [IRS Form 8850 March 2016 instructions](#).
 - a) Have all job applicants complete page one of IRS Form 8850 on or before the day a job offer is made. Make sure applicants sign and date the form.
 - b) Employers should complete page two of IRS Form 8850 if the job applicant is hired and

has checked box(es) 1, 2, 3, 4, 5 or 6 on the first page of the form.

2. Complete **one** of the following Department of Labor and Workforce Development forms:
 - a) [ETA Form 9061](#): Complete ETA Form 9061, "Individual Characteristics Form" July 2013 version, if the job applicant does not have a completed ETA Form 9062 from a service provider. For instructions on how to complete the ETA Form 9061, please review [ETA Form 9061 Revised November 2016 instructions](#).

Please note: When requesting certification for the Veteran target groups using ETA Form 9061, employers and consultants should indicate in red at the top margin of the form the Veteran target group for which they are requesting certification.

- b) ETA Form 9062: Client service providers, such as Public Assistance or Vocational Rehabilitation, will provide job applicants with ETA Form 9062, "Conditional Certification" November 2016 version, identifying them as a member of a WOTC target group. Job applicants will give this form to potential employers. For instructions on how to complete the ETA Form 9062, please review [ETA Form 9062 Rev. November 2016 instructions](#).
3. Submit your applications electronically via the online system (you must have an approved account to gain full access to the online system) or mail the following forms within 28 calendar days after the new hire starts work to:

**Alaska Department of Labor and Workforce Development
Employment Security Division
WOTC Coordinator
P.O. Box 115509 Juneau, AK 99811-5509**

- a) Completed original OR photo copy of IRS Form 8850, and
- b) Completed original OR photocopy of ETA Form 9061 or ETA Form 9062, and
- c) Copy of supporting documents IF applying for Target Group D (Designated Community Residents) and Target Group F (Qualified Summer Youth)

For acceptable supporting documents IF applying for Target Group D and F, please review ETA Form 9061/9062 instructions.

Note: If mailing the application, the [IRS Form 8850](#) must be complete in every detail and must be postmarked by the US Postal Service within 28 calendar days after the new hire starts work. Employers must keep a copy of proof of mailing to document timeliness in cases where their application is lost in the mail. Applications received late will be denied.

There is no exemption to this IRS rule.

When the last day of the 28th calendar day period ends on a Saturday, Sunday or holiday, the next succeeding business day will be treated as the last day of the period (the 28th day).

The IRS previously required original signatures for [IRS Form 8850](#) page 1 (applicant signature) and page 2 (employer signature). **However, electronic signatures will also be permitted, as long as, both employee and employer signatures are electronically signed. In this instance:**

- Name of employee should be noted after “Electronically Signed by” and dated.

- Name of employer should be noted after “Electronically Signed by”, titled and dated.
- If original signature of employee is submitted, signature of employer cannot be photocopied or electronic.

AK DOLWD strongly encourages employers to submit IRS Form 8850 and ETA Form 9061 and other supporting documents at the same time to avoid any processing delays. If employers are unable to complete the ETA Form 9061 and supporting documents before the 28-day filing period, employers are advised to submit the IRS Form 8850 timely within 28 calendar days after the new hire starts work. This is the only form that is required to be submitted within the 28-day time limit.

FREQUENTLY ASKED QUESTIONS (FAQs)

How is your WOTC application processed?

The AK DOLWD will process the WOTC application in the order of receipt and will make a determination to deny or certify an application.

What is a certification?

If the application is certified, the AK DOLWD will send ETA Form 9063, “WOTC Employer Certification”, to the employer to verify that the employee is WOTC eligible and may qualify the employer for the federal tax credit. Employers must retain the form for IRS records. A denial letter will be sent to the employer if the employee is not eligible for any target groups. Certification and Denial letters will only be mailed to employers who do not have a registered account in the online system.

How does an employer obtain the tax credit?

The employer needs to file the Tax Credit Certification issued by the AK DOLWD along with the [IRS Form 5884](#), "Work Opportunity Credit," to claim their WOTC tax credit when employers fill out their annual Business Federal Income Tax Forms.

Please address any questions regarding the filing of tax credits to the [IRS website](#) or their help line at 1-800-829- 1040.

How is the tax credit applied?

The credit is usually applied to the employer's tax liability for the tax year in which the employee is hired. If the credit exceeds the current year's tax liability, the employer may apply the remaining credit to the previous year's tax liability. This may be carried back one year or forward 20 years. For more information on unused credits, employers should contact the IRS or their tax accountant.

How long the WOTC records must be retained?

Employers must keep copies of Forms 8850, any transmittal letters submitted to AK DOLWD, and certification letters received from AK DOLWD as long as they may be needed for the administration of the provisions relating to the WOTC program. Records that support the credit usually must be kept for 3 years from the date any income tax return claiming the credit is due or filed, whichever is later.

We did not know about the IRS Form 8850 28-day rule, can you waive it?

No. IRS rules require employers to submit the IRS Form 8850 within 28 days after the new hire starts work. Unfortunately, the 28-day rule cannot be waived. There is no exemption to this rule.

HOW TO GET FORMS (Online)

- [IRS Form 8850](#) Rev. March 2016 - Pre-Screening Notice & Certification Request
- [ETA Form 9061](#) Rev. November 2016 - Individual Characteristics Form

- [ETA Form 9062](#) Rev. November 2016 – Conditional Certification Form
- [IRS Form 5884](#) (2014)- Work Opportunity Tax Credit for employer's tax filing
- [IRS Form 5884-C](#) Rev. January 2015 – Work Opportunity Tax Credit for employer's tax filing for qualified tax-exempt organizations
- [IRS Form 3800 Rev. 2014](#) – General Business Credit

CONTACTS FOR ADDITIONAL INFORMATION

- E-mail: dol.wotc@alaska.gov
- Call: (907) 465-5952 or fax: (907) 523-9661
- Contact your local [Job Center](#)

Rev: 4/21/17 tp/srb