

ATTENTION EMPLOYERS

WANT YOUR SHARE OF \$2,400?

WORK OPPORTUNITY TAX CREDIT PROGRAM (WOTC)

If you hire an ex-felon, your company could be eligible for a tax credit up to \$2,400.

The Work Opportunity Tax Credit (WOTC) program is designed to assist individuals facing barriers move into gainful employment. The credit is available too private, for profit employers and the number of new hires who are eligible for employment is *unlimited*.

Who is an 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.

We can access information for individuals who have been sentenced to a prison term as a result of a felony conviction by a county judge in Ohio through a database feed from the Department of Rehabilitation & Corrections. Information regarding felony offense convictions for individuals who were sentenced to probation must be obtained via the city, county or federal criminal justice system under which the sentence was imposed. If the felony conviction was committed in a state other than Ohio, the individual/employer will be required to submit appropriate documentation of that conviction, including the date of conviction/release.

How the Program works:

Employees who work at least 120 hours but less than 400 hours will entitle the employer to a tax credit of 25% of the first-year qualified wages up to \$6,000, for a maximum credit of \$1,500. Employers may claim a credit of 40% of first-year wages up to \$6,000, for new employees who work at least 400 hours, for a maximum credit of \$2,400 per employee.

Schedule of tax credits: 1-119 hours = No Credit; 120-399 hours 25 percent of first \$6,000 in qualified wages = \$1,500; 400+ hours 40 percent of first \$6,000 in qualified wages = \$2,400

Employer Qualifications

Participation in the program is voluntary. Employees are not required to provide this kind of information to an employer. Therefore, employers first determine whether the applicant is willing to provide the information. If the applicant is willing to provide the information, the employer follows these steps to qualify:

1. Complete [IRS Form 8850](#) before making the job offer.

and

2. Complete either a Conditional Certification Form (ETA Form 9062) provided by the employee OR an [Individual Characteristics Form](#) (ETA Form 9061).
3. Mail all forms to the [WOTC Administrative Unit](#).

Timely Filing Requirements

Forms ([IRS 8850](#) and [ETA 9061](#)) must be completed with all information requested and must be submitted no later than 21 calendar days from when the applicant starts work. Processing of certificates cannot proceed without a properly completed IRS Form 8850 with original signatures of the employee and employer and either an ETA 9061 or ETA 9062. All **untimely** applications will be denied.

Tax Credit Limitations

Tax credit is not allowable in the following situations:

1. For wages paid to a rehired employee unless a certification was issued when the employee was hired the first time;
2. For wages paid to an on-the-job training (OJT) participant for any employment for which the employer receives federal payments for the OJT;
3. For wages paid to a person who replaces a striking or locked-out worker;
4. For wages paid to a person who is related to the employer or is a dependent living in the employer's household;
5. For wages paid if the employer failed to submit a timely request for certification; or
6. For wages paid to non-resident aliens and H-2A workers.