

Work Opportunity Tax Credit (WOTC) 101

Companies can maximize tax credits by hiring individuals from targeted populations. Here's your comprehensive guide to individuals who qualify for WOTC.

Maximum Tax Credits per New Hire

Short-term Temporary Assistance for Needy Families (TANF) Recipient

After being laid off last year from her administrative job, Suzy and her family have been on TANF cash assistance for nine months. Suzy now has a full-time job with a federal contractor that wanted to take advantage of WOTC. \$2,400 per new hire

Qualified Veteran

After coming home from Iraq, Glen and his family fell on hard times and used Supplemental Nutrition Assistance Program (SNAP) benefits to get by. Glen now has a job as a machinist and his employer benefited from WOTC after hiring him. \$2,400 per new hire

Disabled Veteran (Discharged within one year)

Julie was injured while serving in the Army. After leaving service, a bank hired Julie and used the money saved from the tax credits to invest in new training programs. \$4,800 per new hire

Disabled Veteran Unemployed for six months

Eric was injured during his final tour and held part-time temporary jobs afterward. A national chain looking to maximize its tax credits hired Eric as a full-time employee. \$9,600 per new hire

Veteran Unemployed for four weeks

Upon being honorably discharged, Robert was hired full-time as an IT developer by a contractor who was able to offset costs by the tax credits it gained. \$2,400 per new hire

Veteran Unemployed for six months

Rick was laid off from his job, then unemployed for six months. A hotel group hired Rick and was able to offer a more robust benefits package thanks to the tax credit savings. \$5,600 per new hire

Qualified Ex-Felons

Geri was incarcerated and released less than a year ago. A local construction company hired her as a laborer to maximize its tax credits. \$2,400 per new hire

Designated Community Resident

Jimmy graduated from high school and lives in what is known as an "Empowerment Zone." (Empowerment Zone: An area of a particular population, size, and poverty criteria.) A company offered him a job and benefited with a significant tax credit from the hire. \$2,400 per new hire

Vocational Rehabilitation Referral

Steven, a very talented accountant, lost the use of his legs in a car accident. After completing a state-sponsored rehabilitation program, he was hired by a company looking to maximize its WOTC. \$2,400 per new hire

**Qualified Summer Youth
(16 & 17-year-olds)**

Tonya needed a summer job in her hometown, which is known as an "Empowerment Zone." Motivated by WOTC, a local cleaning service hired her for the summer. \$1,200 per new hire

**SNAP Recipient
(Formerly known as food stamps)**

While working her way through college, Emily and her family relied on SNAP benefits for more than 6 months to make ends meet. After learning about potential tax credit savings, a local retailer offered Emily full-time employment. \$2,400 per new hire

Supplemental Security Income Recipient

Anne started receiving Supplemental Security Income after a long career as a secretary. Needing extra money, she re-entered the workforce and was hired by a firm who recouped some of the costs of their new office with WOTC. \$2,400 per new hire

**Long-Term Family Assistance Recipient
(Receive assistance for at least 18 months)**

Calvin's family lives in a small town where the majority of residents were employed by the local mill. When the mill closed, Calvin and his family received long-term TANF cash assistance for 20 months. Calvin was then able to find employment and the employer was able to take advantage of the WOTC. Up to \$9,000 per new hire

**Qualified Long-Term Unemployment Recipient
(Unemployment benefits for at least 27 weeks)**

Joe was laid off unexpectedly by his company. He received unemployment insurance while he was out of work for 7 months. With the need for qualified help, a company hoping to increase its tax credits hired Joe. \$2,400 per new hire

Eligibility for Work Opportunity Tax Credits may vary.

For more information or to apply for WOTC for an employee, please visit <https://wotc.azdes.gov/> or contact us at (602) 771-0899 or WOTC@azdes.gov.