Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a tax incentive for employers to hire certain job seekers. The goal is to help these individuals become economically self-sufficient and to reward employers who give them a chance.
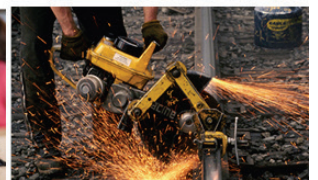
Note:

Employers or their representatives must submit applications through our online filing system within 28 days of the job start date.

Employers can get tax breaks for hiring some veterans, people with disabilities and those on public assistance or involved with the justice system.

Worker eligibility

The following general categories of workers qualify for the tax credit. See the Eligibility at esd.wa.gov/about-employees/WOTC/eligibility for more information.

- Public assistance recipients, if they meet the eligibility requirements for SNAP (food stamps), TANF or long-term TANF.

- Several categories of military veterans.

- Justice-involved individuals hired within a year after their date of conviction, work release, or release from prison or jail.

- People with disabilities participating in state or federal vocational-rehabilitation programs who've had an "individual written plan" for employment in the two years before being hired.

- Anyone who received Supplemental Security Income (SSI) for any month in the 60 days before being hired.

- Long-term unemployed individuals hired on or after Jan. 1, 2016 (must have been unemployed at least 27 consecutive weeks).

Application forms

Find IRS forms 8850 and 9061 on Employment Security's website at esd.wa.gov/WOTC or on the U.S. Department of Labor's website. Search DOL WOTC.

What employers get

Employers can reduce their federal business taxes by up to $2,400 for most eligible hires; and up to $9,000 over two years for each qualifying TANF recipient who is hired. The tax credit for veteran categories range from $2,400 to $9,600.

Employment Security's role

The Employment Security Department is responsible for processing WOTC applications. The department determines the eligibility of every hired individual and completes all certifications within federal guidelines.

Online filing is easy

Employers must submit WOTC applications electronically through the department's online filing system, as explained on the agency website at esd.wa.gov/about-employees/WOTC/instructions.

The online system allows users to:

- Upload documents that verify eligibility.
- Save their work and return later.
- Print many certifications at once.
- Upload many applications at once.