

# Employers: You Should Know About This Hiring Incentive

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• By: [Yufanyi Nshom](#) • September 24, 2021



As our economy continues to recover, employers around the country are creating new jobs and seeking workers to fill vacant roles. This presents a great opportunity for employers to commit to inclusive hiring practices, and connect job seekers with good, stable jobs. If you're looking for the right talent, have you considered the largely untapped potential of workers who have historically faced barriers to employment? And did you know there are tax credits for hiring from certain groups of job seekers?

Through the [Work Opportunity Tax Credit](#), or WOTC, employers who hire eligible jobseekers in [WOTC targeted groups](#), such as qualified veterans and individuals returning to the workforce following involvement in the justice system, can earn tax credits ranging from \$2,400 to \$9,600.

Interested in taking advantage of the WOTC for your new hires? Follow these three steps:

## 1. Connect with a qualified job candidate. American Job Centers can help!

State Workforce Agencies (SWAs) are authorized to administer the WOTC certification process. SWAs coordinate with [American Job Centers](#) and partnering agencies – such as vocational rehabilitation agencies, city and county social service offices, the Veterans Administration and others – to help employers connect with skilled job seekers who may be members of WOTC targeted groups.

Some job candidates may have conditional certifications, which alert prospective employers to the availability of the tax credit if the job seeker is hired. Conditional certifications (ETA Form 9062) are issued by partnering agencies and SWAs. These conditional certifications are not required, but can be useful. Contact your [state workforce agency](#) for more information on conditional certifications.

## 2. File a WOTC certification request with your state workforce agency.

Employers must apply for and receive a certification verifying that the new hire is a member of a targeted group before they can claim the tax credit. To verify whether a job applicant is a first-time, qualifying member of a targeted group, employers must submit IRS Form 8850, together with ETA Form 9061 or ETA Form 9062, to the state workforce agency in which your business is located within 28 calendar days after the new hire's start date. (Typically, Form 9062 is provided by a partnering agency. If an employer is not working with a partnering agency, they can fill out Form 9061 with the applicant). You can find these forms on our [WOTC website](#). You'll need to refer to your [state workforce agency's website](#) for instructions on submitting the forms.

## 3. Receive a WOTC certification for eligible new hires, and claim the credit after their first year of employment.

If the new hire meets the eligibility requirements for a WOTC targeted group, you will receive a certification (ETA Form 9063) from your state workforce agency. Taxable employers can claim the WOTC as a general business credit against their income taxes. Tax-exempt employers who hire qualified veterans can claim the WOTC against their payroll taxes. Generally, the credit is 40% of qualified wages for individuals who work 400+ hours in their first year of employment. For more information about claiming the credit, see the instructions on the [IRS.gov website](#).

Besides the WOTC, employers can take advantage of other hiring incentive programs such as the [Federal Bonding Program](#), which provides fidelity bonds for “at-risk” job seekers, or the American Rescue Plan Act’s [Employee Retention Credit](#), a refundable tax credit against certain employment taxes.

Let us help you find the talent you need and help America's workers start good jobs. Contact an American Job Center today: Get started by visiting [CareerOneStop.org](#) or calling 1-877-US2-JOBS (1-877-872-5627).

*Yufanyi Nshom is a workforce analyst in the department's Employment and Training Administration.*