

TRAINING AND EMPLOYMENT NOTICE	NO. 9-21
	DATE September 24, 2021

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS
STATE AND LOCAL WORKFORCE BOARDS AND CHAIRS
AMERICAN JOB CENTERS

FROM: LENITA JACOBS-SIMMONS /s/
Acting Assistant Secretary

SUBJECT: Release and Availability of the Work Opportunity Tax Credit (WOTC)
Quick Reference Guide for Employers

1. **Purpose.** To announce the availability of the Work Opportunity Tax Credit (WOTC) Quick Reference Guide for Employers.
2. **Action Requested.** State Workforce Agencies (SWA) should disseminate this information to all appropriate staff, employers, collaborating partner agencies, and other interested partners. SWAs are encouraged to share this quick reference guide when they conduct employer engagement activities to promote good, stable jobs for members of WOTC targeted groups, including formerly incarcerated individuals. View the new outreach resource tool available on the U.S. Department of Labor's WOTC website:
<https://www.dol.gov/agencies/eta/wotc>.
3. **Summary and Background.**
 - a. Summary – The WOTC is a federal tax credit available to eligible employers that hire first-time, qualifying members of targeted groups who experience significant challenges to attain employment. The WOTC Quick Reference Guide for Employers provides information on eligible targeted groups, instructions on how to file a certification request, and explains how employers can receive conditional certifications by coordinating with American Job Centers (AJC) and partnering agencies.
 - b. Background – The WOTC is set forth under section 51 of the Internal Revenue Code of 1986 (Code). WOTC has been extended several times and currently is effective until December 31, 2025 (Section 113 of Division EE of P.L. 116-260 -- Consolidated Appropriations Act, 2021). For more information on how to file for the tax credit and the eligible targeted groups, visit the Internal Revenue Service (IRS) website:
<http://www.irs.gov/wotc> and the Employment and Training Administration (ETA) website: <https://www.dol.gov/agencies/eta/wotc>.

4. **Details.**

To administer WOTC successfully, SWAs:

- a. Establish and maintain agreements with partner agencies in the American Job Center network (also known as the One-Stop Career Center system) and coordinate efforts to promote WOTC to employers, job seekers, and other Workforce Innovation and Opportunity Act partners.
- b. Partner with local workforce areas, state vocational rehabilitation agencies, Veterans Administration and related groups, Employment Networks, and other state and local agencies/organizations for the purposes of training state and participating agency staff on the WOTC.
- c. Provide technical assistance to AJC and WIOA partner staff on conducting WOTC targeted group preliminary eligibility determinations, for issuing Conditional Certifications, where appropriate.

In June 2021, the Biden-Harris Administration announced its comprehensive strategy to improve public safety and increase employment opportunities for formerly incarcerated individuals. Although there is no single root cause of crime and violence, having access to good, stable jobs promotes public safety. Additionally, recidivism rates are lower when formerly incarcerated individuals secure good, stable jobs. The Administration has identified leveraging employer tax credits, including the WOTC and the American Rescue Plan's Employee Retention Credit (ERC), with resources such as the Federal Bonding Program, to incentivize hiring of formerly incarcerated individuals as one of its concrete steps to facilitate employment services and associated services for formerly incarcerated individuals. To view the White House announcement, visit: <https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/23/fact-sheet-biden-harris-administration-announces-comprehensive-strategy-to-prevent-and-respond-to-gun-crime-and-ensure-public-safety/>.

5. **Inquiries.** For further information, please direct inquiries to the appropriate SWA or ETA Regional Office: <https://www.dol.gov/agencies/eta/wotc/contact>.

6. **References.**

- Section 51 of the Internal Revenue Code (26 U.S.C. §51) available at: <https://uscode.house.gov/view.xhtml;jsessionid=36D3880A571F8263FD07D4406A9C774E?hl=false&edition=prelim&req=granuleid%3AUSC-1995-title26-section51&num=0>.
- Department of Labor's Federal Bonding Program: <https://bonds4jobs.com/>
- 'FAQs: Employee Retention Credit under the CARES Act': <https://www.irs.gov/newsroom/faqs-employee-retention-credit-under-the-cares-act>

7. **Attachment(s).** WOTC Quick Reference Guide for Employers.