

EMPLOYMENT AND TRAINING ADMINISTRATION

Work Opportunity Tax Credit

Fact Sheet

About WOTC

The Work Opportunity Tax Credit (WOTC) is authorized until December 31, 2025 (Section 113 of Division EE of P.L.116-260 -- Consolidated Appropriations Act, 2021).

The U.S. Department of Labor (DOL) and U.S. Department of Treasury, through the Internal Revenue Service (IRS), jointly administer the implementation of the WOTC program. DOL, through the Employment and Training Administration (ETA), provides grant funding and policy guidance to the State Workforce Development Agencies, also called State Workforce Agencies (SWA) to administer the certification process, while IRS administers all tax-related provisions and requirements.

WOTC targeted groups include: 1) Qualified IV-A recipient; 2) Qualified Veteran; 3) Qualified Ex-Felon; 4) Designated Community Resident; 5) Vocational Rehabilitation Referral; 6) Summer Youth Employee; 7) Supplemental Nutrition Assistance Program (SNAP "food stamps") recipient; 8) Supplemental Security Income (SSI) recipient; 9) Long-term Family Assistance recipient; and 10) Qualified Long-term Unemployment recipient.

Federal Funding

For Fiscal Year (FY) 2021, SWAs received \$18,485,000 to support the administration of WOTC, which includes the certification process and reporting data on a quarterly basis.

Outcomes

- ◆ In FY 2021, SWAs issued 2,081,474 certifications.
- ◆ In FY 2020, SWAs issued 1,620,806 certifications.
- ◆ In FY 2019, SWAs issued 2,068,417 certifications.
- ◆ In FY 2018, SWAs issued 2,204,142 certifications.
- ◆ In FY 2017, SWAs issued 2,027,012 certifications.

Note: Data may change due to performance reporting updates.

Information and Resources

For more information on WOTC, including how to apply for the tax credit, visit the DOL website at <https://www.dol.gov/agencies/eta/wotc>, or the IRS website at <https://www.irs.gov/businesses/small-businesses-self-employed/work-opportunity-tax-credit>. Email questions to Ask.WOTC@dol.gov.

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