



## SALT: Credits & Incentives

# The Work Opportunity Tax Credit (WOTC)

Organizational workforces have changed in recent years. Companies are putting people back to work and employing more workers who have traditionally faced barriers to employment. In order to stay competitive, many organizations are beginning to consider statutory tax credits. In the past, this may have seemed cumbersome, paper intensive and time consuming. That's why successful organizations have turned to Cherry Bekaert to administer and manage optimal incentive programs like the Work Opportunity Tax Credit ("WOTC") to generate tax benefits for their everchanging workforce.

A federal tax credit open to all employers, the WOTC is designed to encourage businesses to hire individuals from certain targeted groups. WOTC credits range between \$2,400 and \$9,600 for each qualified new employee, and some companies earn thousands of dollars each year in credits. What's more, these are dollar-for-dollar credits, not just deductions. WOTC credits may reduce federal income tax or alternative minimum tax liability, and they are available for pass-through entities. The credits may even be carried forward if a company is unable to use them in the current year.

WOTC Target Groups	Potential Tax Credits
Long-Term Temporary Assistance to Needy Families (TANF)	Up to \$9,000 (over 2 years)
Qualified Veteran	Up to \$9,600
Ex-Felon	Up to \$2,400
Designated Community Resident (18-39 years old)	Up to \$2,400
Vocational Rehabilitation Recipient	Up to \$2,400
Supplemental Nutrition Assistance Program	Up to \$2,400
Supplemental Security Income (SSI) Recipient	Up to \$2,400
Short-Term TANF Recipient	Up to \$2,400
Long-Term Unemployed	Up to \$2,400
Summer Youth Employee	Up to \$1,200

Cherry Bekaert’s tax credit specialists take the hassle and burden out of the screening and certification process by developing streamlined WOTC management programs customized to our clients’ business processes.

Our team offers evaluations at no cost or obligation for companies interested in learning more about their potential WOTC benefits.

*Let us be your guide forward*



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