



Hiring Tax Credit Extension

The Federal Government provides substantial income tax credits to employers who hire people in certain "targeted groups" primarily for those on "public assistance" (food stamps and related government programs) as well as military veterans. The purpose of this "Work Opportunity Tax Credit" (WOTC) program is to encourage private sector employment of people who are currently receiving government assistance.

SO, WHAT'S NEW?

Federal tax credits for both veterans and those receiving public assistance had expired (2012 for veterans and 2011 for others) but were reinstated on January 2, 2013 as part of the "fiscal cliff" legislation. Due to the expiration of the WOTC tax credits, and then the "last minute" retroactive reinstatement of the WOTC tax credits for years 2012 and 2013, **the IRS just notified employers that they have additional time to submit tax credit applications as follows:**

- For qualifying veterans, an employer can submit WOTC applications until **April 29, 2013 for veterans hired during the first quarter of 2013;** and
- For all other "targeted groups" (those on various forms of public assistance), the deadline for submitting applications is **April 29th for qualifying employees hired from January 1, 2012 - March 31, 2013** (the last 15 months).

The normal deadline for submitting WOTC tax credit applications is 28 days from the new employee's start date.

HOW YOU CAN BENEFIT

If you were screening employees for WOTC eligibility but did not submit the tax credit applications within 28 days of the employees' start date, IRS Notice 2013-14 provides you with an extended deadline to submit the tax credit applications.

AccuPay helps our clients procure WOTC Federal income tax credits through our Hiring Tax Credit Services division. Contact Leslie Myrick, our WOTC program coordinator, or Larry Shaub, CPA, at 885-7600 if you have any questions about whether you qualify for WOTC tax credits (non-profit employers CAN receive tax credits for veterans) and how you can obtain your income tax credits.

For more information about the "basics" of the WOTC program, link to our previous PayDay's titled, "[New Law Hiring Tax Credits](#)" and "[Big Tax Credits for Churches](#)."

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