Tax Credits

:: Good for Business
:: Good for Workers

Work Opportunity Tax Credit (WOTC)

Extended until 12/31/03

Who can benefit?

- Employers who hire eligible workers can save on payroll expenses with a WOTC tax credit.
- Eligible jobseekers become more attractive candidates for job openings.

Eligible Target Groups

- Qualified TANF welfare recipient for 9 months within the last 18 months, ending on hire date.
- Qualified veteran food stamp recipient for 3 month period within last 15 months, ending on hire date.
- Qualified ex-felon member of a low income family.
- 18-24 year old residing in a federal empow erment zone/enterprise community.
- Individual referred by the State rehabilita tion agency or VA rehabilitation office.
- Qualified summer youth residing in federal empowerment zone/enterprise community.
- 18-24 year old food stamp recipient (or fam ily member) for last 6 months (or 3 of last 5 months if eligibility ceased) ending on hire date.
- Individual certified as receiving Social Security Supplemental Security Income for any month ending in 60 day period ending on hire date.

How much is the tax credit?

WOTC: 2-Tiered Tax Credit for 1 Year

- Tier 1: 25% of first $6,000 in qualified wages if WOTC eligible employee works at least 120 hours but less than 400 hours to a maximum of $1,500.
- Tier 2: 40% of first $6,000 in qualified wages if WOTC eligible employee works 400 hours or more to a maximum of $2,400.

Welfare-to-Work: 2-Year Tax Credit

The WtW eligible employee must be employed at least 180 days or 400 hours in the year for which the credit is claimed:

- Year 1: 35% of the first $10,000 in qualified wages to a maximum of $3,500.
- Year 2: 50% of the first $10,000 in qualified wages to a maximum of $5,000.

The Department of Labor & Industrial Relations and the Workforce Development Division are Equal Opportunity Employers/ Program Managers.

Welfare-to-Work Tax Credit (WtW)

Extended to 12/31/03

Eligible target groups:

- **TANF** recipient for at least 18 consecutive months ending on the hiring date; or
- **TANF** recipient whose eligibility expired under federal/state law after August 5, 1997 for applicants hired within 2 years after their eligibility expired; or
- A recipient who received family assistance for a total of 18 months after August 5, 1997 and has a hire date not more than 2 years after the end of the earliest 18 month period.

How to Apply for the WOTC and WtW Tax Credit

If an employer believes the potential employee is eligible within the target group, submit the following forms which are available at any WDD office:

- **IRS Form 8850:** complete the bottom portion and have the employee complete the top portion.
- **Submit the form:** Within 21 days of the job start, the form must be submitted to a local WDD office.
- **ETA Form 9061:** Expedite the process by attaching this form and any other documentation with the IRS form.

Hawaii's Workforce Network One-Stop Centers

Auxiliary aids and services are available upon request. Call the nearest One Stop Center office below or TTY on Oahu (808) 586-8847 or TTY neighbor islands at 1-888-569-6859.

Oahu Work Links

Dillingham Shopping Plaza
1505 Dillingham Blvd., Room 110
843-0733 ext. 225 Fax 843-0256

Makalapa Community Center
99-102 Kalaloa Street, 2nd floor
488-5630 Fax 488-4957

Waialua Shopping Center
67-292 Goodale Avenue
637-6508 Fax 637-0120

Waianae Neighborhood Center
85-670 Farrington Hwy. Rm. 6
696-7067 Fax 696-7060

Downtown
830 Punchbowl Street, Room 112
586-8700 Fax 586-8724

Kaneohe
45-1141 Kamehameha Hwy.
233-3700 Fax 233-3709

Waipahu
94-275 Mokuola Street, Room 300
675-0010 Fax 675-0011

Maui One-Stop Career Resource Center
2064 Wells Street, Suite 108
984-2091 Fax 984-2090

Kauai Workwise Job Center
3100 Kuhio Hwy., Room C-9
274-3056 Fax 274-3059

Big Island Workplace Connection (Hilo)
180 Kinoole Street, Room 205
974-4126 Fax 974-4125

Satellite Centers -- limited services

Oahu Work Links (Kapolei)
601 Kamokila Blvd., Room 588
692-7630 Fax 692-7643

Big Island Workplace Connection (Kona)
74-5565 Luhia Street, Bldg. C, Bay 4
327-4770 Fax 327-4774

Big Island Workplace Connection (Honokaa)
45-3380 Mamane Street
775-0528 Fax 775-9954

Maui One-Stop Career Resource Center (Molokai)
55 Makaena Place, Room 4
553-1755 Fax 553-1754

Hawaii's Toll Free Job Link to America's Workforce Network

1-877-US-2JOBS
TTY: 1-877-889-5627

State of Hawaii
Department of Labor & Industrial Relations
Workforce Development Division

www.dlir.state.hi.us/wdd/

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Hawaii's Workforce Network

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for Employers

- Work Opportunity Credits
- Welfare to Work Credits

State of Hawaii
Workforce Development Division