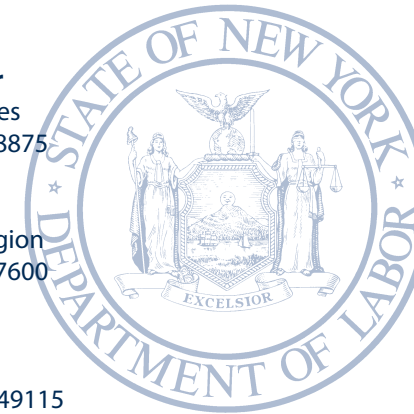


Earn Employment Tax Credits

Work Opportunity
Empire Zones
Workers with Disabilities



NYS Department of Labor Employer Services Offices:

Endicott
Southern Tier
(607) 741-4518

New York
New York City
(718) 780-9446

Buffalo
Western
(716) 851-2750

Hicksville
Long Island
(516) 934-8558

Saranac Lake
North Country
(877) 410-5751

Rochester
Finger Lakes
(585) 258-8875

Albany
Capital Region
(518) 462-7600

Syracuse
Central
(315) 255-49115

Utica
Mohawk Valley
(315) 793-2497

White Plains
Hudson Valley
(914) 997-9543

PROTECT *all Workers*
ASSIST *the Unemployed*
CONNECT *Employers and Workers*

The New York State Department of Labor is an Equal Opportunity Employer/Program. Auxiliary aids and services are available upon request to individuals with disabilities.

Earned Income Tax Credit

The Earned Income Tax Credit (EITC) is a federal income tax credit for low-income workers who are eligible for and claim the credit. The credit reduces the amount of tax an individual owes, and may be returned in the form of a refund. New York State also provides an Earned Income Credit that can be combined with the federal credit to further reduce the tax burden for low-income wage earners.

Employer Incentives

The New York State Department of Labor is committed to connecting job-ready, qualified jobseekers to the workforce. To learn more about recruiting, skill upgrade, incumbent worker programs, training, and wage subsidies call at 1-888-4-NYSDOL.

For information and to apply contact:

New York State Department of Labor Economic Development Services

WOTC-EZ-WETC

Employer-Friendly Benefits

To learn more about New York State employer tax incentives:

call our Economic Development Services Office
at 1(888) 4-NYSDOL /Fax: (518) 485-1815

or

find us on the Internet at [www.labor.ny.gov/
html/edsu/index.htm](http://www.labor.ny.gov/html/edsu/index.htm)

or

call your local Department of Labor Tax Credit Specialist

How to Apply

Certifications for the WETC will be issued to employers as part of the WOTC certification process. There are no prescreening or separate WETC application forms required. Use the Department of Taxation and Finance WETC Form CT41 to file for the credit.

Empire Zone (EZ) Wage Tax Credit

There is a 50% refundable wage tax credit for up to five years for hiring full-time employees in newly created jobs. For employees in specially targeted groups, this credit equals \$3,000 a year, with a credit of \$1,500 a year for all other new hires. An additional \$500 is available in investment zones for jobs paying \$40,000 or more.

Target Groups

This program is designed to assist a New York State resident who is employed by an EZ certified business and who:

- is certified under the Work Opportunity Tax Credit Program, or
- is eligible for benefits under the Workforce Investment Act as a dislocated or low-income individual, or
- received Public Assistance benefits at any time within the past two years, or
- is a member of a family whose income is below the poverty level, and
- was honorably discharged from the US armed forces.

Qualified Empire Zone Enterprise (QEZE)

Certified EZ businesses may be eligible for additional tax credits as Qualified Empire Zone Enterprises:

- Corporate tax credits equal to a percentage of their taxes attributable to the zone enterprise(s).
- Real property tax credits to be used to reduce their income-based tax liability.
- Sales tax exemptions on goods and services used in the zone.

1-888-4-NYSDOL
www.labor.ny.gov

Hire from among these nine groups of job seekers to qualify for the WOTC Credit:

- 1. Welfare recipients** — Members of a family that received TANF/AFDC for at least nine of the 18 months before the date of hire **are eligible for the WOTC.**
- 2. Veterans** — Veterans who are members of a family that received food stamps for at least three months of the 15 months before date of hire or veterans entitled to compensation for a service-connected disability who were hired within one year of having been discharged or released from active duty OR who have been unemployed 6 of the last 12 months. **are eligible for the WOTC.**
- 3. 18-39 year-old food stamp recipients** — Members of a family that received food stamps for at least 6 (consecutive) months before date of hire, or for at least three of the five months before date of hire and their food stamp eligibility expired **are eligible for the WOTC.**
- 4. 18-39 year-old EZ/RC/RRC residents** - Residents of one of the federally designated Empowerment Zones, Renewal Communities or Rural Renewal Communities located in parts of New York City, Syracuse, Yonkers, Buffalo/Lackawanna, Niagara Falls, Jamestown, Rochester, Schenectady, and all of Montgomery and Clinton Counties **are eligible for the WOTC.**
- 5. 16-17 year-old EZ/RC/RRC residents** — Residents hired as Summer Youth Employees **are eligible for the WOTC.**
- 6. Vocational Rehabilitation referrals** — Disabled persons who completed or are completing rehabilitative services approved by the state rehabilitative services agency, the U.S. Department of Veterans Affairs, or are Social Security Disability Insurance (SSDI) recipients who also possess a valid Ticket-to-Work for training services from certified Employment Network (EN) providers **are eligible for the WOTC.**

7. Ex-felons — Ex-felons hired within one year after their release or conviction **are eligible for the WOTC.**

8. SSI recipients — individuals who received Supplemental Security Income benefits for any month during the 60 days before date of hire **are eligible for the WOTC.**

9. Long-term welfare recipients — Members of a family that received Temporary Assistance for Needy Families (TANF) or its predecessor program, Aid to Families with Dependent Children (AFDC), for at least 18 consecutive months before date of hire, or whose family's TANF/AFDC eligibility expired under federal or state law after August 5, 1997, or whose family received TANF for at least 18 months (whether or not consecutive) beginning after August 5, 1997 **are eligible for an enhanced WOTC Tax Credit.**

Earn WOTC Tax Credits for Work Opportunity Disabled Veterans and Long-Term Family Assistance

- Employers make the hiring decisions.
- No limit to the number of new hires who can qualify their employer for these tax savings.
- Minimal paperwork to claim the tax credits.

The Work Opportunity Tax Credit for hiring all WOTC target groups, except Summer Youth Employees, is up to \$2,400 for each new hire: 40% of qualified first-year wages for those employed 400 or more hours; 25% for those employed at least 120 hours. Qualified wages are capped at \$6,000. Summer Youth wages are capped at \$3,000.

The Disabled Veterans Credit for hiring disabled veterans, who are either recently discharged from active duty or have been unemployed for 6 of the last 12 months, totals up to \$4,800. The new credit is 40 percent of the first \$12,000 in first year wages for those employed 400 or more hours. A partial credit, 25% of the first \$12,000 in wages is available for employees working between 120 and 399 hours.

The Long-Term Family Assistance Credit for hiring long-term welfare recipients is as much as \$9,000 per new hire: 40% of qualified wages for the first, and 50% for the second, year of employment. Qualified wages — which include tax-exempt amounts received under accident and health plans as well as educational and dependent assistance programs — are capped at \$10,000 per year. To qualify employers for this tax credit, new hires must begin work after December 31, 1997 and must be employed for at least 400 hours or 180 days. A reduced credit is available for those employed at least 120 hours. Individuals who have exhausted TANF benefits and are currently receiving aid under the Safety Net Program may be eligible for this credit.

Applying for Work Opportunity Tax Certification takes three simple steps:

1. Complete and mail the one-page IRS Form 8850, "Pre-Screening Notice and Certification Request for the Work Opportunity Tax Credit" within 28 days of the first day of work, **and**
2. Complete **either**:
 - a) USDOL ETA Form 9062, "Conditional Certification Form," if provided to the job seeker by a participating agency, such as the local One-Stop operator or other public or not-for-profit participating agencies, **or**
 - b) USDOL ETA Form 9061, "Individual Characteristics Form," if the new hire has not been given a conditional certification, **and**
3. Mail the signed IRS and ETA forms to:

New York State Department of Labor
Economic Development Services Unit
Building 12, Room 200
State Office Building Campus
Albany, NY 12240

The IRS form must be completed and postmarked no later than 28 days after the new hire's start date.

You can download IRS Form 8850 or ETA Form 9061 from www.doleta.gov or the New York State Department of Labor at www.labor.state.ny.us.

Who doesn't qualify?

- No tax credit can be claimed for wages paid to relatives.
- No tax credit can be claimed for federally subsidized on-the-job training. However, wages paid after the subsidy expires can qualify for the credits.
- The WOTC and Long-Term Family Assistance Credit cannot both be claimed for the same individual in the same taxable year.
- For information about EZ/RC/RRCs, visit the HUD website: www.hud.gov or call 1-800-998-9999.

Workers With Disabilities Employment Tax Credit (WETC)

Employers can claim a state tax credit of up to \$2,100 for employing a disabled New Yorker under the WETC program.

To qualify for WETC, an individual must be certified by the Education Department's Office of Vocational Education Services for the Disabled (VESID) or the Commission for the Blind and Visually Handicapped:

- a) as a person with a disability that constitutes or results in a substantial barrier to employment, and
- b) who has completed or is receiving services under an approved individualized written rehabilitation plan, and
- c) who works for the employer on a full-time basis, for at least 180 days or 400 hours.

Amount of the Credit

The amount of the credit is 35% of the first \$6,000 in wages paid during the second year of employment. The maximum credit is \$2,100 per eligible individual. Qualified first-year wages are counted under the Federal Work Opportunity Tax Credit during the first year of employment. This has the effect of requiring that the applicant be employed for two years.