

2018 WOTC Legislation

The WOTC Coalition is promoting these recommendations to members of Congress and their personnel involved with tax matters.

- WOTC extension through 2025, amended to include spouses of active duty service members, transitioning foster youth, and disconnected youth.
- Authorizing WOTC for private non-profit employers, would open up thousands of jobs in health care and education making WOTC more effective in helping disadvantaged workers obtain good jobs.
- Amending the tax code to allow any unused WOTC credits to be applied against FICA tax, with Treasury reimbursing the Social Security Trust Funds. This bookkeeping change would assure continued employer outreach to, and hiring of, WOTC workers, while the cost to the Treasury would be the same as if applied against income tax.

UPDATE: Indian Employment & Empowerment Zone Tax Credits

- Both credits remain expired as of 12/31/2016. Congress is negotiating a bill to fund the government, and WOTC Coalition is working in the Senate to attach to this government funding measure a tax extender bill, introduced last December and supported by the majority of the Finance Committee, that will extend both credits retroactively to the end of this year.
- Senate and House leaders are close to announcing a deal on the government funding measure, which must be passed by Feb 8th. If tax extenders aren't included we'll wait for another extenders bill in May or June.

5 Tax Credits to Reduce Your Business Taxes

Tax credits often get confused with tax deductions. Tax credit incentives are earned by businesses for certain activities, like hiring or expansion and they are loftier in savings to tax deductions. Tax credits give businesses an incentive to act in a way that benefits the economy, the environment, business development or other business purposes and credits are deducted from income before income tax is determined.

- The Work Opportunity Tax Credit (WOTC) provides employers a credit for hiring qualified veterans and others from specific targeted groups.
- The NEW Research & Development (R&D) Tax Credit also gives small businesses a chance to earn it by product development or improvements to quality, function or reliability, by improving business performance including payments to employees or outside researchers.
- Small Business Health Care Tax Credit is available to businesses with less than 25 FTE, offering health insurance for the first time or to maintain coverage that already exists for businesses that pay at least ½ of the cost of single coverage for their employees.
- “Go Green” Business Tax Credits and Deductions are offered to businesses that have equipment to increase energy efficiency or environmental friendliness.
- Disabled Persons Access Tax Credit is for businesses making accommodation changes, barrier removals, facilities updates for employees and customers with disabilities