
DEO Communiqué

DATE: December 21, 2011

TO: Workforce Florida, Inc. and Regional Workforce Boards

FROM: Lois A. Scott, Program Manager, Workforce Program Support

SUBJECT: The Vow to Hire Act of 2011
The Work Opportunity Tax Credit (WOTC) Benefit for Hiring Veterans

PURPOSE

To provide updated information to the Regional Workforce Boards regarding the Work Opportunity Tax Credit Benefit for Hiring Veterans.

BACKGROUND

On November 21, 2011, President Obama signed into law the Vow to Hire Heroes Act of 2011. Section 261 of the Act, "Returning Heroes and Wounded Warriors Work Opportunity Tax Credits," amends and expands the definition of the WOTC Veteran target groups. *The changes and new provisions in this Act apply to individuals who begin to work for an employer the day after its enactment, November 22, 2011 to December 31, 2012.*

The VOW to Hire Heroes Act of 2011 includes the following provisions:

- Extends the current target group for Veterans receiving Supplemental Nutrition Assistance Program (SNAP) benefits with the same qualified wages cap (\$6,000) and a maximum tax credit (\$2,400).
- Extends the current target group for Veterans with a service-connected disability with the same qualified wages cap (\$12,000) and a maximum tax credit (\$4,800).
- Extends the current target group for Veterans with a service-connected disability unemployed for at least 6 months with the qualified wages cap increased to \$24,000 and the maximum tax credit increased to \$9,600.



Establishes a new target group for Unemployed Veteran (which expired on December 31, 2010):

- ✓ Veterans unemployed *for at least 4 weeks* with a qualified wages cap of \$5,600 and maximum tax credit of \$2,400.
- ✓ Veterans unemployed *for at least 6 months* with a qualified wages cap of \$14,000 and maximum tax credit of \$6,000.

Qualified “tax-exempt” organizations can now participate by hiring qualified veterans and are now eligible to claim the tax credit.

ACTION REQUIRED

Regional Workforce Boards should review and share this information with appropriate staff, providers and other interested parties.

The Employment and Training Administration is working to revise and issue ETA Form 9061 and update all other program-related materials to reflect changes to the Veteran target groups. During this transition period employers are instructed to continue to use the current ETA Form 9061:

- When using hard copies of Form 9061 indicate in “red” at the top margin of the form the Veteran target group for which they are requesting certification.
- When using an electronic ETA Form 9061, select or indicate the Veteran target group desired for certification. Also indicate the name of the desired Veteran target group on all appropriate support documents.

AUTHORITY

United States Department of Labor- ETA

ATTACHMENT

http://www.doleta.gov/business/Incentives/opptax/veterans_fact_sheet_12_1_2011.pdf

The Work Opportunity Tax Credit (WOTC): An Employer-Friendly Benefit for Hiring Veterans Most in Need of Employment

The Vow to Hire Heroes Act of 2011 (P.L. 112-56)

NEW! On November 21, 2011, President Obama signed into law the *Vow to Hire Heroes Act of 2011*. Section 261 of the Act, the "Returning Heroes and Wounded Warriors Work Opportunity Tax Credits," amends and expands the definition of WOTC's Veteran target groups. The changes and new provisions in this Act apply to individuals who begin to work for an employer the day after its enactment, November 22, 2011, and before January 1, 2013.

The Vow to Hire Heroes Act of 2011 includes the following provisions:

- Extends the current target group for Veterans receiving Supplemental Nutrition Assistance Program (SNAP) benefits with the same qualified wages cap¹ (\$6,000) and maximum tax credit (\$2,400).
- Extends the current target group for Veterans with a service-connected disability with the same qualified wages cap (\$12,000) and maximum tax credit (\$4,800).
- Extends the current target group for Veterans with a service-connected disability unemployed for at least 6 months with the qualified wages cap increased to \$24,000 and the maximum tax credit increased to \$9,600.
- Establishes a new target group for unemployed Veterans, similar to the Recovery Act of 2009 unemployed Veteran group that expired on December 31, 2010:
 - ✓ *Veterans unemployed for at least 4 weeks with a qualified wages cap of \$6,000 and maximum tax credit of \$2,400.*
 - ✓ *Veterans unemployed for at least 6 months with qualified wages cap of \$14,000 and maximum tax credit of \$5,600.*
 - ✓ *State Workforce Agencies will certify veterans as meeting the required periods of unemployment based on receipt of unemployment insurance compensation.*

Note: The 5-year period ending on the hiring day requirement that was part of the Recovery Act unemployed veteran group was rescinded.

- Qualified "tax-exempt" (i.e., 501(c)) organizations can now participate by hiring qualified veterans and are now eligible to claim the WOTC.
- These provisions became effective the day after the President signed the *Vow to Hire Heroes Act* into law, November 22, 2011, through December 31, 2012.
- The *Vow to Hire Heroes Act* does not extend any of the other (non-Veteran) WOTC target groups, which currently expire on December 31, 2011.

¹ For Veterans target groups, WOTC is based on qualified wages paid to the employee for the first year of employment. The tax credit is 25% of qualified first-year wages for those employed at least 120 hours but fewer than 400 hours, and 40% for those employed 400 hours or more.