

D. Worker Related

1. The Work Opportunity Tax Credit Program (WOTC)

For more information and employee certifications, contact the Oklahoma Employment Security Commission at (405) 557-7112 or sheila.gray@oesc.state.ok.us. For forms, visit www.irs.gov.

Downloads:

[Work Opportunity Prescreening Instructions for 8850](#)

[Work Opportunity Prescreening and Certification -- 8850](#)

[Individual Characteristics Form ETA 9061](#)

The Work Opportunity Tax Credit Program (WOTC) was designed to promote the hiring of target group individuals. The tax credit for WOTC is up to \$2,400 for each new hire: 40% of qualified first-year wages for those employed 400 hours or more, 25% for those employed at least 120 hours. Qualified wages are capped at \$6,000, Summer Youth wages are capped at \$3,000, Long Term Family Assistance Recipients are capped at \$10,000, and Disabled Veterans are capped at \$12,000. Congress has authorized the WOTC program until August 31, 2011.

The tax credit is as much as \$1,200 for each Summer Youth hire, \$2,400 for each new adult hire, \$4,800 for each new disabled Veteran hire, and \$9,000 for each new long-term family assistance recipient hire.

2. Federal Empowerment Zone Incentives

For more information, please contact Brent Bryant, Economic Development Program Manager with the City of Oklahoma City at (405) 297-2260 or brent.bryant@okc.gov.

Certain areas within Oklahoma City have been deemed to be an Empowerment Zone. Enhanced WOTC and WTW credits are applicable within the Empowerment Zone. In addition, tax credits of up to \$3,000 annually per new or existing employee that lives and works in the Empowerment Zone are available to businesses within the Empowerment Zone. Qualifying salary amounts are an offset when taking more than one of these credits. See IRS form 8844. Exclusions from taxable income are increased for business costs on machinery and equipment acquired after 2001.

Additionally, capital gains on original issue stock, business interests, and property purchased after 2000 and held for more than one year in an Empowerment Zone business, are excluded from income if placed in another Empowerment Zone business within 60 days. Those who hold stock in an Empowerment Zone business for five years or more may exclude 60 percent of income from the sale of such stock from federal taxable income until 2014. State income tax is lowered as a result of these benefits, also.