



January 21, 2016

REINSTATED WORK OPPORTUNITY CREDITS

As part of the Protecting Americans from Tax Hikes Act of 2015 (PATH Act), which was recently signed into law by President Obama on December 18, 2015, the work opportunity tax credits were reinstated effective January 1, 2015 and extended through December 31, 2019. In order to get these valuable credits for new hires, you must file all the required paperwork with the Ohio Department of Jobs and Family Services for every new hire as part of your job application process.

Credit for residents of designated rural renewal counties

Crawford, Seneca, Van Wert, Paulding and Monroe are all counties designated as “rural renewal counties”.

If you hire a resident of any of these counties (between the ages of 18 and 39) you may qualify for a \$2,400 tax credit on the first \$6,000 of wages paid. **(Proof of residence and age is required.)**

New work opportunity credit effective January 1, 2016

Beginning January 1, 2016 the work opportunity credit expanded to cover employers that hire people that have been out of work for 27 weeks or more and have received unemployment benefits. This could also qualify for a 40% credit (\$2,400) on the first \$6,000 in wages paid.

Work opportunity credits also apply to other certified members of the following targeted groups:

- Temporary Assistance for Needy Families (TANF) recipients
- Qualified veteran
- Qualified ex-felon
- Vocational rehabilitation referral
- Qualified summer youth employees (age 16 – 18)
- Qualified SSI recipient
- Food stamp (SNAP) recipients

What are the certification requirements for these credits?

You must meet one of two requirements:

- 1) On or before the day an individual begins work, the employer has received a certification from state employment agency that the employee is a member of a targeted group.

- 2) On or before the day an individual is offered employment with the employer, a pre-screening notice is completed by the employer with respect to such individual, and not later than the 28th day after the individual begins work for the employer, the employer submits such notice, signed by the employer and the individual under penalties of perjury, to the designated state agency as part of a written request for certification.
 - a. IRS Form 8850, Pre-Screening Notice and Certification Request for Work Opportunity Credit may be used for this purpose

 - b. ETA Form 9061 from the Department of Labor is required by the Department of Job and Family Services for Ohio purposes

Observation

IRS Form 8850 and ETA Form 9061 **must be signed by the employee on or before the day the job offer is made.** These forms may be downloaded from our website www.mizickmiller.com/links.php. If you fail to fill out the proper paperwork before you offer employment to an individual, **you will lose** this valuable credit. We suggest that these forms are incorporated into your new hire process to insure you do not miss future tax credits opportunities.

For more information, visit the website of the Ohio Department of Job and Family Services at <http://jfs.ohio.gov/wotc/participate.stm> for specific instructions on how to participate in the program.

As always, we thank you for allowing MizickMiller to serve as your accounting and financial information professionals.

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