

Texas Workforce Press Release

FOR IMMEDIATE RELEASE

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TWC Certifies \$219 Million in Federal Tax Credits for Texas Employers

Agency urges more employers to take advantage of tax savings

AUSTIN – Texas employers can reap substantial savings on their federal business income taxes by taking advantage of the Work Opportunity Tax Credit (WOTC) program. In Fiscal Year (FY) 2009, the Texas Workforce Commission (TWC) assisted businesses by certifying nearly \$219 million in potential tax savings, available to Texas employers who hire from qualified targeted populations and apply for certification within 28 days of their start date.

“As tax season is upon us, we want employers to take note and remember to take advantage of these savings this year,” said TWC Chairman Tom Pauken.

Although TWC identified millions in savings for Texas employers, millions went unclaimed because employers did not apply for the credit on their eligible, newly hired workers. Fewer than 5 percent of Texas’ more than 440,000 employers took advantage of WOTC in FY 2009.

WOTC is designed to encourage employers to hire new employees from targeted groups of qualified job seekers who may face barriers to employment.

Employers can save up to \$2,400 per qualifying employee by hiring from these groups:

- Unemployed veterans*
- Disconnected youth*
- Temporary Assistance for Needy Families (TANF) recipients
- Ex-felons
- Designated community residents
- Vocational rehabilitation referrals
- Supplemental Nutritional Assistance Program (SNAP) benefit recipients (formerly known as food stamps).
- Veterans receiving SNAP benefits
- Supplemental Security Income (SSI) recipients

Employers can save up to \$4,800 for hiring:

- Disabled veterans

Employers can save up to \$9,000 for hiring:

- Long-term family assistance (TANF) benefit recipients

Employers can save up to \$1,200 for hiring:

- Summer youth from empowerment zones or renewal counties

*new group added in 2009

- more -

“Our company saved \$114,000 on our federal income taxes last year by hiring 85 qualifying employees to work in our restaurants,” said Joseph Hicks, a certified public accountant for Wright Foods.

In 2009, two new groups were added to the list of those who qualify under the WOTC program. Veterans receiving unemployment benefits and 16- to 24-year olds who have not been regularly employed or attending school for at least six months prior to being hired are now included in the list of populations which qualify an employer for the tax credit.

Applications for the credits can be submitted year-round to TWC’s WOTC Unit for certification. Within each target population, there are specific eligibility requirements, which TWC will verify before issuing the certifications.

All applications must be postmarked no later than 28 days from the qualifying worker’s start date. For more information employers may contact TWC’s WOTC Unit at 1-800-695-6879 or visit the TWC Web site: www.twc.state.tx.us/svcs/wotc/wotc.html.

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The Texas Workforce Commission is a state agency dedicated to helping Texas employers, workers and communities prosper economically. For details on TWC and the services it offers in unison with its network of local workforce development boards, call (512) 463-8556 or visit www.texasworkforce.org.