

Cut Your Labor Costs

Employers that do business in New York can trim their labor costs through several New York State workforce and economic development programs. Employment-based tax credits save your business money by cutting federal and state liability. You may obtain tax credit savings from \$750 to \$9,000 simply by hiring one targeted worker.

Federal Targeted Tax Credits

The Work Opportunity Tax Credit (WOTC) offers employers up to \$2,400 in federal tax savings for hiring people with barriers to employment. To qualify, those employees must complete:

- at least 120 hours of work for the partial WOTC credit of \$1,500
- over 400 hours for the full \$2,400 credit

The Disabled Veterans Credit (must have a service-related disability of at least 10%) applies to people who are either:

- recently discharged from active duty (within 1 year) or
- unemployed for 6 of the last 12 months.

This credit has totals up to \$4,800. The new credit is 40 percent of the first \$12,000 in first-year wages for those employed 400 or more hours. You can get a partial credit (25% of the first \$12,000 in wages) for employees who work between 120 and 399 hours.

The Long-Term Family Assistance WOTC (LTFA) is a two-year WOTC credit. It offers incentives of up to \$9,000 in federal tax credits to employers who help a long-term public assistance recipient take and keep a job. To qualify, the person must work:

- At least 120 hours to for a partial WOTC-LTFA credit of \$2,500 or
- Over 400 hours for the full credit.

In both cases, you can hire them for part-time work, making this a very flexible workforce tool.

Workers with Disabilities Employment Tax Credit (WETC)

Businesses that employ people who obtain or have received vocational rehabilitation services within two years of hire may earn \$2,100 more in state tax credits. You get the credit during the second year of employment and can combine it with the WOTC.

Who Qualifies for WOTC?

For employers to get the credit, we must verify that the people you hire belong to a targeted group. The groups include:

- People who receive Temporary Assistance for Needy Families (TANF)
- Veterans who
 - receive Supplemental Nutrition Assistance Program (SNAP) benefits or
 - have a service-related disability
- Ex-Felons
- People (age 18-39) who live in a federal empowerment zone or rural county
- Disabled persons receiving rehabilitation services
- Summer Youth (age 16-17) who live in a federal empowerment zone
- People (age 18-39) who receive SNAP benefits
- People who receive Supplemental Security Income (SSI)
- People who receive Long-Term Family Assistance

How to Apply for Credits

Call the New York State Labor Department at 1-888-4-NYSDOL or go to our web site www.labor.ny.gov .