

## 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](http://www.labor.ny.gov) .