

Update: December, 2011

Tax Intelligence - Vow to Hire Heroes – Expanded WOTC Credit for Veterans

Situation

On November 21, 2011, President Obama signed into law the “Vow to Hire Heroes Act.” This act extends and adds new criteria for veteran eligibility of the veteran category criteria for the Work Opportunity Tax Credit (WOTC). New hires from November 22, 2011 through December 31, 2012 may qualify for the program; however, without legislative intervention, the core WOTC categories are still set to sunset on December 31, 2011. These new provisions increase the wage base for calculation of the WOTC credit for certain veterans and include an expanded provision for certain unemployed veterans. This legislation removed any reference to an applicant’s discharge date which opens this category to all of our country’s veterans, not just those who served recently.

Historically, these programs have offset income tax expenses; however, this incentive can be used by certain tax exempt organizations. Specifically, this new law:

- Extends the current target group for veterans receiving Supplemental Nutrition Assistance Program (SNAP) benefits with the same qualified wages cap (\$6,000) and maximum tax credit (\$2,400).
- Extends the current target group for veterans with a service-connected disability with the same qualified wages cap (\$12,000) and maximum tax credit (\$4,800).
- Extends the current target group for veterans with a service-connected disability unemployed for at least 6 months with the qualified wages cap increased to \$24,000 and the maximum tax credit increased to \$9,600.
- Establishes a “new” target group for unemployed veterans, similar to the Recovery Act of 2009’s unemployed veteran group that expired on December 31, 2010:
 - Veterans unemployed for at least 4 weeks with a qualified wages cap of \$6,000 and maximum tax credit of \$2,400.
 - Veterans unemployed for at least 6 months with qualified wages cap of \$14,000 and maximum tax credit of \$5,600.

Solution

All TALX tax credit screening and administration services are compliant with these new provisions. TALX clients, whether processed by online screening, call in, paper form, or through our integrations with third party partners, have been capturing these expanded credit eligibilities for veterans from the effective date of the legislation.

Value

TALX has a dedicated team of experts with experience in all areas of federal, state, and local taxation reviewing and monitoring new legislative developments to assist employers in capturing tax credit and incentive opportunities. If your company is interested in receiving more information on this extension of the veteran’s provisions of the WOTC program, please contact Pete Krieshok at (314) 214-7325 or pkrieshok@talx.com, or visit our corporate blog at <http://blog.talx.com>.