

Employer Incentives and Tax Credits

Texas Workforce Solutions, which is comprised of the Texas Workforce Commission (TWC) and the 28 local workforce boards, can help employers identify ways to benefit from tax savings and other incentives when hiring. The following are two programs which offer employers monetary incentives for hiring from select groups of qualified workers. For more information, contact the Texas Workforce Commission at 512 463-2222.

Texas Back to Work

Employers can offset the costs associated with hiring and training new workers through the new TWC initiative *Texas Back to Work*. This wage-subsidy program is funded by the Texas Legislature and administered through 28 Texas workforce boards. When private-sector employers hire from a qualified pool of unemployed Texas workers, the employer may be eligible to receive up to \$2,000 to subsidize part of the wages paid to the newly hired worker. The monthly subsidies are provided for the first four months of employment. Local workforce business services representatives can help employers identify qualified job seekers and offer recruitment and prescreening of eligible applicants. A brochure with more information on *Texas Back to Work* is available on the TWC Web page at www.twc.state.tx.us/news/txback2work.pdf.

Eligible New Hires:

Unemployed Texans—first-time unemployment benefits claimants including those who have exhausted all available benefits. Must have been earning less than \$15 per hour prior to being laid off.

Potential Benefit:

Up to 2,000 per employee hired and retained for at least 120 days.

Work Opportunity Tax Credit

The Work Opportunity Tax Credit (WOTC) is a federal business income tax savings available to employers who hire from 10 select groups of eligible workers. This tax credit is administered by the U.S. Department of Labor for private, for-profit employers and can represent a direct savings to a business ranging from \$1,200 to \$9,000 per qualifying employee. WOTC serves as an incentive to select job candidates who may face barriers in their efforts to find employment.

Within each target group there are specific requirements which must be met. Texas Workforce Commission (TWC) WOTC specialists verify whether newly hired workers meet the eligibility requirements for the tax credit and issue certifications to employers. Forms to apply for the credit are available on TWC's WOTC Web page and must be postmarked within 28 days of an employee's start date. For more information, call (800) 695-6879 or access the WOTC Web page at www.twc.state.tx.us/svcs/wotc/wotc.html.

Savings Example

Hire an unemployed veteran*:

<i>Texas Back to Work</i> subsidy	\$2,000
WOTC	\$2,400
Total Savings	\$4,400

*An unemployed veteran is one of many types of job seekers that would make the employer eligible for both benefits.

Eligible New Hires and Benefit Amounts:

Up to \$2,400

- SNAP benefit recipients
- Veterans receiving SNAP benefits
- TANF benefit recipients
- Ex-felons
- Residents of empowerment zones, or rural renewal counties
- Vocational rehabilitation referrals
- Supplemental Security Income recipients

Up to \$1,200

- Summer youth

Up to \$4,800

- Disabled veterans

Up to \$9,000 over two years

- Long-term TANF recipients

