

Federal and New York State Tax Incentives for Employers

Name of the Tax Credit or Deduction	Eligibility for a Tax Credit or Deduction is Given for:	What Are the Certification Requirements?	How Much is the Tax Credit or Deduction?	What Does the Employer Need to Do?
Work Opportunity Tax Credit (WOTC) Federal	All employees who are eligible for VESID services. Partial Credit of 25% becomes available after the employee has worked 120 hours. Full credit is given after 400 hours of employment. Summer youth are exempt from the minimum hour restriction.	The VESID Counselor completes the ETA 9062 (Confidential Certification) and IRS 8850 forms and gives them to the employee.	The tax credit is up to 40% of the employee's first \$6,000 in wages, to a maximum of \$2,400.	The employer completes the "Employee Declaration" part of the ETA 9062 and the IRS Form 8850. The employee and the employer must sign the IRS Form 8850. The employer must mail both forms to the NYS Department of Labor (DOL) within 21 days of the employee's start date.
Workers With Disabilities Employment Tax Credit (WETC) New York State	All individuals who are eligible for VESID services and who work on a full-time basis for at least 180 days or 400 hours during the year the credit is applied.	The same procedure is used as for the WOTC above.	The tax credit is up to 35% of the employer's first \$6,000 in wages, to a maximum of \$2,100. When combined with the WOTC, this credit can be applied during the individual's second year of employment.	The same procedure is used as for the WOTC above.
Welfare-To-Work Tax Credit (W-2-W) Federal	Long-term Family Assistance or Temporary Assistance to Needy Families (TANF) recipients who received benefits for 18 consecutive months prior to the date they were hired. Employees must work at least 400 hours during the year the credit is applied.	The VESID Counselor completes form ETA 9062. If the Counselor believes that the employee was receiving TANF benefits for the 18 months prior to being hired, the Counselor checks the TANF boxes under Section #12 Group (W-2-W). The NYS Department of Labor will then determine whether the employee can be certified for the higher credit of W-2-W. If the employee is not certified for W-2-W, the employee will be certified for the WOTC.	The tax credit is up to 35% of the employee's first \$10,000 in wages for the first year and up to 50% of the employer's first \$10,000 in wages for the second year. This credit cannot be combined with the WOTC. (It must be used instead of the WOTC.) This credit can be combined with the NYS WETC.	The employer completes the "Employee Declaration" part of the ETA 9062, and the IRS Form 8850. The employee and the employer must sign the IRS Form 8850. The employer mails both forms to the NYS Department of Labor within 21 days of the employee's start time.
Disabled Access Tax Credit Federal	An employer with few than 30 employees and no more than \$1 million in gross receipts in the preceding year. Eligible expenses include the removal of barriers—architectural, communication, or transportation—including modification of equipment and the use of interpreters, taped text, or alternative format for communication.	Barrier removals must meet technical standards of the ADA Accessibility Guidelines.	The tax credit is up to 50% of "eligible access expenditures" that exceed \$250 but do not exceed \$10,250 for a taxable year. A business may take the credit each year that it makes and eligible barrier removal or service provision.	Contact the IRS at 1-800-829-1040. The employer completes IRS Form 8826.
Architectural Transportation Barrier Removal Deduction Federal	An employer who removes barriers to the workplace to make it more accessible and usable by individuals with disabilities.	Barrier removals must meet technical standards of the ADA Accessibility Guidelines.	The deduction is up to \$15,000 per tax year.	Contact the IRS at: 1-800-829-1040.

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<p align="center">Empire Zone (EZ) Wage Tax Credit New York State</p>	<p>Employers whose business is located in an Empire Zone. The NYS Department of Labor and Empire State Development Commissioner must certify by a "Zone Coordinator" as well as the employer. Targeted individuals include anyone who:</p> <ol style="list-style-type: none"> 1. Is WTC Certified? 2. Is eligible for benefits und the Job Training Partnership Act 3. Received Public Assistance benefits (AFDC, TANF, HR, TEAP, HEAP, MEDICAID, Food Stamps etc.) anytime within the past two years. 4. Has income below the U.S. Commerce Department's poverty level. 5. Is a member of a family with income below the poverty level? 	<p>The employer sends the employee to the regional NYS Department of Labor office after the employee has completed six months plus one day of employment in the tax year for which the credit will be applied. The employee must complete the FS 450-B Form.</p>	<p>The job must be considered a "newly created job" (that is, the job must increase the number in the employer's workforce over the average number of employees for the four preceding years). The credit is \$3,000 if the person hired is a targeted individual and the job pays at least 135% of the minimum wage. The credit is \$1,500 if the person hired is not a targeted individual or the job pays less than 1.35% of the minimum wage. The credit can be applied for up to five years.</p>	<p>The employer needs to ensure that the business is certified. The employer then refers the employee to the local DOL for certification (filing of form ES 450-B) after the employee has completed six months and one day of employment in the tax year for which the credit will be applied.</p>
<p align="center">Zone Equivalent Area (ZEA) Wage Tax Credit New York State</p>	<p>Employers whose business is located in an area eligible for Zone Equivalent Area (ZEA) states but who are not certified. The employer must be certified by the NYS Empire State Development (Frank Rich at 518-292-5321.) Targeted individuals are the same as those for the Empire Zone (EZ) Wage Tax Credit above.</p>	<p>The employer sends the employee to the regional NYS Department of Labor office after the employee has completed six months plus one day of employment in the tax year for which the credit will be applied. The employee must complete the ES 450-B Form.</p>	<p>The job must be considered a "newly created job" (that is, the job must increase the number in the employer's workforce over the average number of employees for the four preceding years). The credit is \$3,000 if the person hired is a targeted individual and the job pays at least 135% of the minimum wage. The credit is \$1,500 if the person hired is not a targeted individual or the job pays less than 1.35% of the minimum wage. The credit is \$1, 500.the first year and \$750 the second year if the person hired is not a targeted individual or the job pays less then 1.35% of the minimum wage. The credit can be applied for up to five years.</p>	<p>The employer needs to ensure that the business is certified. The employer then refers the employee to the regional NYS Department of Labor office for certification (filing of form ES 450-B) after the employee has completed six months and one day of employment in the tax year for which the credit will be applied.</p>
<p>Please Note: This cart contains information pertaining to legislation and/or regulations in effect at the time of publication. More information is available on the Department of Labor web site at: www.labor.state.ny.us.</p>				