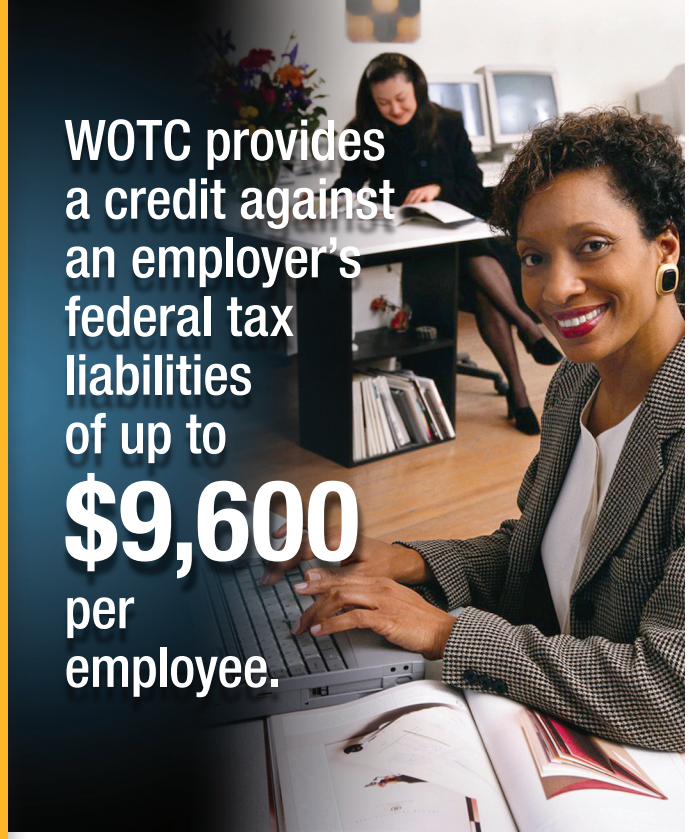



MDES

Mississippi Department of Employment Security

WIN Job Center
AmericanJobCenter

## For More Information Contact

MDES Work Opportunity Tax Credit Unit
wotcservices@mdes.ms.gov or

Your local WIN Job Center
For locations, call 601-493-9427 or
visit the MDES website at mdes.ms.gov

An equal opportunity employer and program, MDES has auxiliary aids and services available upon request to those with disabilities.

Those needing TTY assistance may call 800-582-2233.

Funded by the U.S. Department of Labor through the Mississippi Department of Employment Security.

This document is provided as a general program guide. The WOTC program is subject to change as reflected in updates to federal laws.

MDES Communications 09162026

MDES

Mississippi Department of Employment Security
1235 Echelon Parkway
P.O. BOX 1699
Jackson, MS 39215-1699

# Businesses can get tax credits for new hires



MDES

Mississippi Department of Employment Security



# What is the WOTC?

The Work Opportunity Tax Credit Program provides businesses with substantial tax savings for each qualified employee hired from the targeted groups.

Commonly known as WOTC, the program provides a credit against an employer's federal tax liabilities of up to $9,600 per employee. The amount of the actual credit depends on several factors, including target group, hours worked and wages earned in the employer's business.

The Consolidated Appropriation Act, 2021 (Section 113 of Division EE P.L. 116-260) authorized the extension of the Work Opportunity Tax Credit (WOTC) until December 31, 2025.

## What are the target groups?

- TANF Recipients
- Ex-felons
- Rural Renewal County Residents
- Empowerment Zone Residents
- Vocational Rehabilitation Referrals
- Summer Youth
- Supplemental Nutrition Assistance Program (SNAP) Recipients
- Supplemental Security Income (SSI) Recipients
- Long-term TANF Recipients
- Long-term Unemployment Recipients

## How much tax credit is available by target group?

### Up to $1,200
- Summer Youth

### Up to $2,400
- Long Term Unemployment Recipients
- SNAP Recipients
- Veterans Receiving SNAP Benefits
- Veterans Unemployed at Least 4 Weeks Prior to Date of Hire
- TANF Recipients
- Ex-Felons
- Rural Renewal County Residents
- Empowerment Zone Residents
- Vocational Rehabilitation Referrals
- SSI Recipients

### Up to $4,800
- Veterans with a Service-Connected Disability Hired within One Year of Release from Active Duty

### Up to $5,600
- Veterans Unemployed for 6 Months Prior to Date of Hire

### Up to $9,000
- Long Term TANF Recipients (Receiving Benefits for at Least 18 Consecutive Months)

### Up to $9,600
- Veterans with a Service-Connected Disability Unemployed for at Least 6 Months Prior to Date of Hire

## To apply for WOTC

Businesses must apply for, and receive certification from the Mississippi Department of Employment Security (MDES) that the newly hired employee is a member of at least one of the WOTC target groups before the business can claim the WOTC credit on its federal income tax return. Forms are available on our website. See the bottom of this page for the web address.

TO APPLY FOR THE CERTIFICATION, BUSINESSES SHOULD FOLLOW THREE STEPS:

**1** Complete page 1 of IRS Form 8850, Pre-screening Notice and Certification Request for the Work Opportunity Credit, by the date of the job offer, and page 2 of IRS Form 8850 after the individual is hired;

**2** Complete one of the following U. S. Department of Labor forms, as appropriate:
- ETA Form 9061, Individual Characteristics Form, if the new hire has not been given a Conditional Certification, ETA Form 9062, or
- ETA Form 9062, Conditional Certification Form, if provided to the job candidate by a Participating Agency (such as Vocational Rehabilitation), an Employment Network, or the State Workforce Agency (MDES).

**3** File the signed and dated IRS and ETA forms with MDES not later than 28-calendar days after the new hire's employment starting date.

Note: For detailed information, refer to Instructions for Form 8850.

**Businesses should mail their completed forms to:**

Mississippi Department of Employment Security
Attention: WOTC Unit
P. O. Box 1699
Jackson, MS 39215-1699

**To file faster online, see the bottom of this page.**

**To apply for WOTC online**
or for more information...

Visit us on the web at: mdes.ms.gov/wotc